
STATE OF

IDAHO

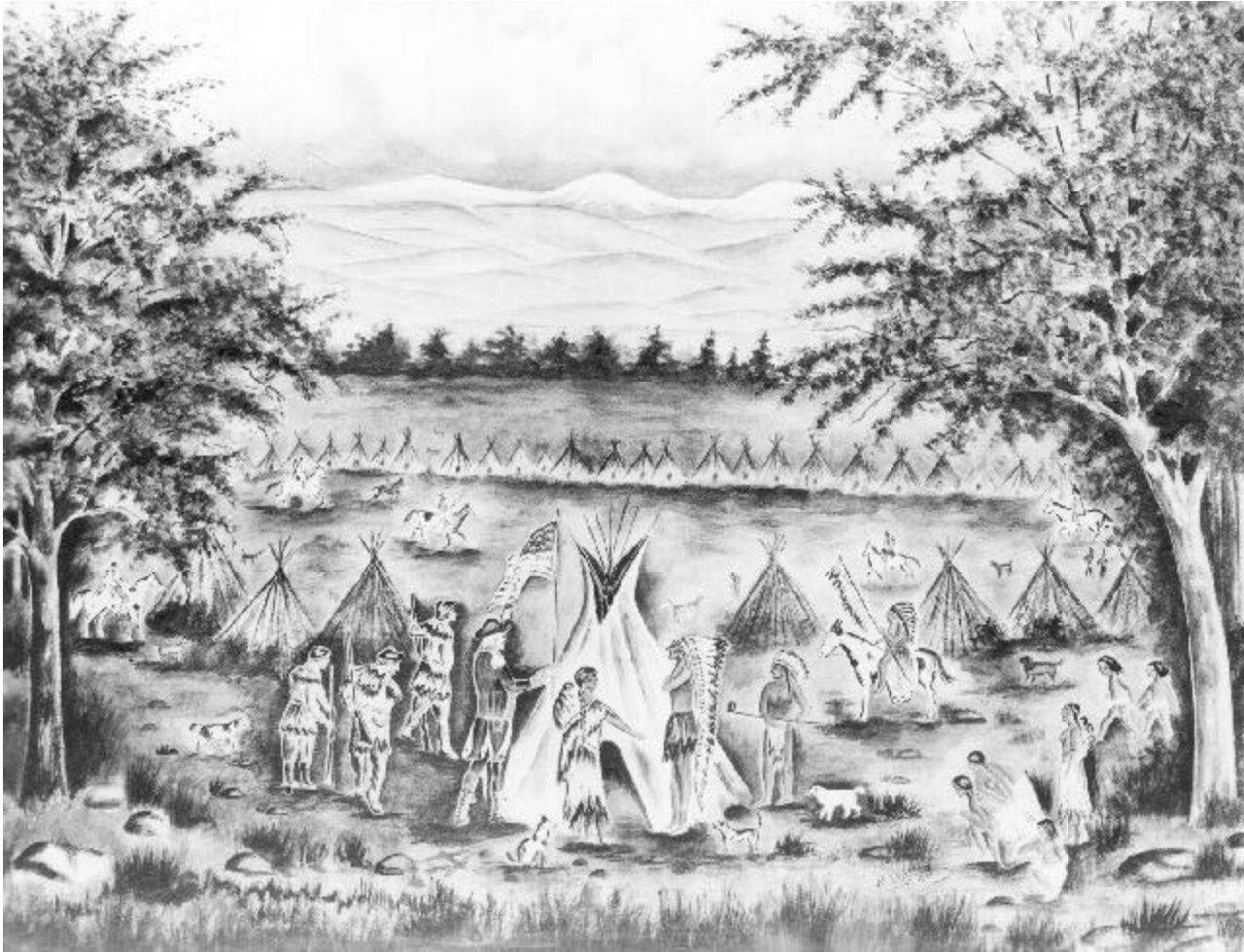
COMPREHENSIVE ANNUAL FINANCIAL REPORT



Lewis and Clark with Sacagawea - Exploring the Northwest

FOR FISCAL YEAR ENDING
JUNE 30, 2000





Encampment of Lewis and Clark where the first flag was raised in Idaho
Photo of painting by M. L. Bailey, 1931
Idaho State Historical Society

Cover photo: Lewis and Clark at Three Forks, by Edgar S. Paxson
Photographer: Don Beatty
Courtesy of Montana Historical Society

IDAHO

COMPREHENSIVE

ANNUAL

FINANCIAL

REPORT

**FOR THE FISCAL YEAR
ENDED JUNE 30, 2000**



DIRK KEMPTHORNE
GOVERNOR
J.D. WILLIAMS
STATE CONTROLLER

PREPARED BY THE OFFICE OF THE STATE CONTROLLER

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Special appreciation to all fiscal and accounting personnel throughout the State whose efforts to contribute accurate, timely financial data for their agencies made this report possible.

STATE OF IDAHO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

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Introductory Section



Members of the Lewis and Clark Corps of Discovery
Lewis and Clark at Three Forks, by Edgar S. Paxson
Photographer: Don Beatty
Courtesy of the Montana Historical Society



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December 21, 2000

TO: Citizens and Taxpayers of Idaho
The Honorable Dirk Kempthorne, Governor
Members of the State Legislature
Ladies and Gentlemen:

It is with great pleasure and a real sense of professional satisfaction that my staff and I transmit the Comprehensive Annual Financial Report (most often referred to as the CAFR) to you for the fiscal year ended June 30, 2000. This report represents Idaho's continued commitment to sound and effective fiscal management and to responsible financial reporting based on recognized standards. This CAFR, which includes the State's independently audited general purpose financial statements, will provide you and the financial community with the information necessary to assess Idaho's financial position, results of operations, and management of its financial resources.

Responsibility for both the accuracy of the presented data and the completeness and fairness of presentation, including all disclosures, rests with the Office of the State Controller. As the State's Chief Fiscal Officer, I am confident the data presented is accurate in all material respects. It is presented in a manner that fairly sets forth the financial position and results of state operations as measured by the financial activity of its various funds. All disclosures necessary to enable the reader to gain an understanding of the State's financial position and results of operations have been included.

The ultimate reasons for producing the CAFR are as follows:

- to assess whether current year revenues are sufficient to pay for services provided and determine whether future taxpayers will be required to assume burdens for services provided to past generations;

MISSION: TO ENSURE THAT STATE GOVERNMENT IS ACCOUNTABLE TO EVERY IDAHO CITIZEN.

- to compare the financial performance of the State from one fiscal year to another; and
- to avoid potential pitfalls and problems through trend development and analysis supported by timely and reliable financial information.

Enormous strides in statewide financial reporting have been made in Idaho during the past few years. That trend must be ongoing. As the State continues to expand through economic diversification, this new system of financial accountability will provide us with the knowledge needed to chart a solid course for the future.

The overall CAFR is presented in the following three sections: Introductory, Financial, and Statistical.

The Introductory Section includes this transmittal letter, the Certificate of Achievement for Excellence in Financial Reporting, a state organizational chart, and a list of elected officials of the State.

The Financial Section includes the independent auditor's opinion, general-purpose financial statements, required supplementary information, and combining financial statements with supporting schedules and fund descriptions.

The Statistical Section includes selected fiscal, social, and demographic information about the State.

The CAFR is prepared in accordance with generally accepted accounting principles (GAAP) as established by the Governmental Accounting Standards Board (GASB), professional standards of the American Institute of Certified Public Accountants (AICPA), recommendations of the Government Finance Officers Association (GFOA), and state finance law requirements. A summary of significant accounting policies of the State is found in the notes to the general purpose financial statements.

In addition to the CAFR, the Office of the State Controller issues other financial reports. It is important to realize that the financial data used in each is derived from the same sources. Accumulating and compiling the data in order to create these financial statements does not require duplicative effort, but instead utilizes complementary information. Some of these reports are as follows:

Legal Basis Financial Report. This report provides a “budget-to-actual comparison” in accordance with appropriations adopted by the Legislature. It reflects the financial information by individual agency, fund, program, and expenditure object as dictated by appropriation. State policy makers and agency directors are the most likely users of the State’s Legal Basis Financial Report.

The Idaho Citizen’s Report. This report provides a brief, highly condensed overview of the State’s financial position and operations for the specified period. The general public is the most likely user of this report.

Reporting Entity

The State of Idaho was admitted into the Union as the 43rd state in 1890. It covers 84,437 square miles bordered on the south by Utah and Nevada, on the east by Wyoming and Montana, on the west by Washington and Oregon, and on the north by Canada. It has an estimated population of approximately 1.3 million. State government is divided into three branches. The Executive Branch is comprised of the Governor, Lieutenant Governor, Secretary of State, State Controller, State Treasurer, Attorney General, and the Superintendent of Public Instruction. The Legislative Branch is comprised of two houses, a 35-member Senate and a 70-member House of Representatives. The Judicial Branch is presided over by the Supreme Court which is led by the Chief Justice, elected by the four other Justices. This report includes all funds and account groups of the State of Idaho. Within the funds are the various departments, agencies, and other organizational units

governed by the State Legislature and/or constitutional officers. The State provides services such as education, health and human services, highway maintenance and construction (i.e. transportation), law enforcement, judicial system, public safety programs, natural resource management, and community and economic development programs. This report reflects costs of these services in both detail and summary.

In addition to general government activities, certain component units have been included in this report. Component units are legally separate entities which are financially accountable to the State, or for which the nature and significance of their relationship with the State is such that exclusion would cause this report to be misleading or incomplete. The component units that are part of this report include the following:

- Idaho State Building Authority,
- Idaho Housing and Finance Association,
- Idaho Life and Health Insurance Guaranty Association, and
- Petroleum Clean Water Trust Fund.

Economic Condition and Outlook

Idaho’s economy continued a robust, sustained growth. Idaho total nonfarm employment grew by 2.5 percent in 1998, 3.4 percent in 1999, and is estimated to have grown by 3.4 percent in 2000. The outlook for the period through 2003 has Idaho employment growth staying below 3 percent each year. Slowing economic growth indications include continued but slowing population expansion, dropping from 1.7 percent in 1999 to an estimated 1.2 percent in 2003. Additional indications of slowing growth include reduced increases in nominal personal income and real personal income.

Idaho’s service sector growth has fueled the State’s recent growth. However, employment will also be boosted this year by the high-flying technology sector. The technology’s sector employment should expand by 6.2 percent in 2000, which is almost twice as fast as overall nonfarm job growth. The darker side of this healthy picture is the lumber and wood processing sector, with projected decreases in employment in the forecast period. The Idaho Department of Labor estimates that over 1,500

employees have been affected by mill closures from May 2000 to September 2000.

Highlights of Idaho's recent economic performance include the following:

- Personal income grew by 8.1 percent in 1999 and is estimated to have grown by 6.8 percent in 2000.
- Per capita income grew by 6.3 percent in 1999 and is estimated to have grown by 4.9 percent in 2000.
- Real (inflation-adjusted) personal income grew by 6.3 percent in 1999 and is estimated to have grown by 4.1 percent in 2000.
- Real (inflation-adjusted) per capita personal income grew by 4.5 percent in 1999 and is estimated to have grown by 2.3 percent in 2000.
- Population grew by 1.7 percent in 1999 and is estimated to have grown by 1.7 percent in 2000.
- Net migration was 10,439 in 1999 and is estimated at 11,306 in 2000.

Idaho's economic outlook is bright. Although growth is expected to slow, it is also expected to remain above 2 percent. This is substantially faster than forecasted U.S. job growth. Gem State total nonfarm employment growth is expected to average 2.7 percent in 2001 and 2.4 percent in 2002, vs. 1.0 percent and 1.2 percent for national job growth. Strength is likely to come from the service-producing sector and the goods-producing sector.

Income growth in Idaho is expected to average 6.6 percent over the next two years, which is slower than 2000's estimated 6.8 percent growth and less than 1998's 6.8 percent and 1999's 8.1 percent.

Population growth for 2001 is expected to be slightly lower than 1999's and 2000's rate of 1.7 percent. This is slightly less than double the U.S. population growth of 0.9 percent. Idaho's population growth is expected to further slow in 2002, to 1.4 percent. Not surprisingly, net migration also slows a bit from the recent rate of about 11,000 to 10,000 in 2001.

Major Initiatives

Tobacco Settlement

As a result of a November 1998 Master Settlement Agreement between the five largest tobacco manufacturers and 46 states, Idaho expects to receive approximately \$25 to \$30 million per year over the next 24 years. The annual payments are to be received in perpetuity, subject to numerous adjustments. The State received \$29.7 million during fiscal year 2000. A new fund, the Millennium Fund, was established by the Legislature to ensure that the monies received from the tobacco settlement are managed and will provide benefits for future generations. The intention is that the settlement principal will remain unspent and the State will make use of interest earnings. The Legislature approved an appropriation of \$2.3 million for tobacco cessation efforts from the income fund.

Education

Idaho's emphasis on its youth and their education was continued by the fifty-fifth Legislature. The fiscal year 2000 general fund budget for public school support (grades K through 12) was a historic amount, totaling more than \$878 million and representing a \$27 million increase over 1999.

To ensure that Idaho's school children are safe, the Legislature also approved Governor Kempthorne's request for a Uniform School Building Safety Act. The Act provides for the establishment of a uniform school building safety code, as well as for inspections for compliance with the code. It also provides a mechanism to close a school where an imminent safety hazard--immediate risk of death or serious injury--is found.

Key features of the education budget included pay raises for teachers, administrative, and classified staff; and property tax relief, with a cumulative relief to date totaling \$248.5 million; and an additional \$2.2 million for transportation costs.

Several programs were continued or enhanced: the Limited-English Proficiency program received an additional \$750,000, the Idaho Safe and Drug Free Schools program was continued with funding set at \$5.2 million, and the Governor's innovative Grant Program for K-12 schools was continued at \$100,000.

The “1999 Idaho Comprehensive Literacy Act: Every Child’s Birthright” was funded at a level of \$3.9 million. This will provide for assessment, intervention, and in-service training to improve reading in the State. An additional part of the Comprehensive Literacy Act is for teacher preparation programs (funded at a \$500 thousand level), which was included in the higher education appropriation.

Other educational programs also saw appropriation increases. Colleges and universities received a 5 percent increase in state funding over 1999 levels, while community colleges received a 5.6 percent funding boost. The Idaho Division of Professional-Technical Education received \$46.4 million representing a 7.3 percent overall increase in funding.

Tax Relief

A tax package was approved by the Legislature that completely eliminates the marriage tax penalty, affecting more than 140,000 families. It also allows 68,000 self-employed Idahoans to deduct health insurance premium costs. The Investment Tax Credit has been expanded for more than 16,000 individuals and businesses. This Credit provides taxpayers with a reduction in their 2000 tax rates as well as ongoing protection from inflation through indexing.

Health and Welfare

As part of Idaho’s ongoing focus and concern with the health of its children, \$727,000 was added by the legislature to provide chicken pox vaccines to non-Medicaid children; \$100,000 was authorized for the Coeur d’Alene Children’s Health program for lead poisoning prevention, screening, follow-up, and remediation if necessary; and \$500,000 was added to increase childhood immunization rates.

In addition, Governor Kempthorne inaugurated Idaho’s first statewide voluntary immunization registry in September. IRIS–Idaho’s Immunization Reminder Information System–will provide parents with an easily accessible record of their children’s immunization records and will provide reminders to help ensure that children receive their full series of immunizations.

State Police

Methamphetamine is a drug more addictive than heroine and is plaguing Idaho and much of the

Western United States. In 1999, Governor Kempthorne proposed and received an increased appropriation of \$697,000 from the Legislature for a package of get-tough measures for manufacturers and distributors of methamphetamine. This initial effort was followed in 2000 with the Police Services Division and Idaho Peace Officer Standards and Training receiving additional appropriation for \$888,600 to increase the number of special agents and forensic personnel, along with training funds for law enforcement personnel. In addition to funding the Governor’s Initiative for a methamphetamine program, the Department’s Division of Idaho State Police received five new officers for Idaho roadways, one officer for capitol mall security, and four officers to support House Bill 377aa (transferring motor carrier functions from the Public Utilities Commission to the Idaho Transportation Department and the Idaho State Police).

Financial Section

Internal Control

The State’s management is responsible for establishing and maintaining an internal control structure designed to ensure the State’s assets are adequately protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements. In 1994, the formalized Statewide Management Control System (MCS) was developed to provide reasonable assurance that these organizational objectives are met. This system includes both financial and administrative controls and provides a framework for managers to work within their own organizational structures to promote efficient and effective operations in the State. The concept of reasonable assurance recognizes that the cost of a control should not exceed the projected benefits likely to be received. The valuation of costs and benefits requires estimates and judgments by management.

Budgetary Control

Budgetary controls are incorporated into the Statewide Accounting and Reporting System (STARS). The annual state budget is established through separate appropriations by the Legislature and approved by the Governor for individual departments for specific purposes, special outlays, and/or operating expenditures. All claims presented for payment must be certified by the appropriate department that the expenditure is for a purpose intended by law and a sufficient existing and

unexpended appropriation balance is available. STARS also performs various edits to ensure expenditures do not exceed authorized appropriations. In addition to these centralized controls, each department director is required to maintain expenditures within appropriated limits. Extensive use is made of on-line tables and reports, updated daily, to provide detailed and management level reports to state agencies and budget authorities. Detailed monthly reports are prepared to assure expenditures are being executed according to plan. Deviations are identified and budget or spending modifications are made on a continuing basis.

Investments

In Idaho (except for certain organizations within the State's reporting entity having independent powers to manage and invest their own cash), the State Treasurer is responsible for investing the State's cash. The State Treasurer's investments are made in compliance with the provisions of *Idaho Code*, Title 67, Chapter 12. The State Treasurer also manages an investment pool for local governments' cash balances under the same legal provisions. Legal requirements for the investment of funds maintained

in the State's cash and investment pools are discussed in Note 1 to the Financial Statements. Each month the State Treasurer allocates interest income earned to various funds designated by law to receive the earnings. The allocation is calculated in accordance with a formula based on average daily cash balances invested over the month.

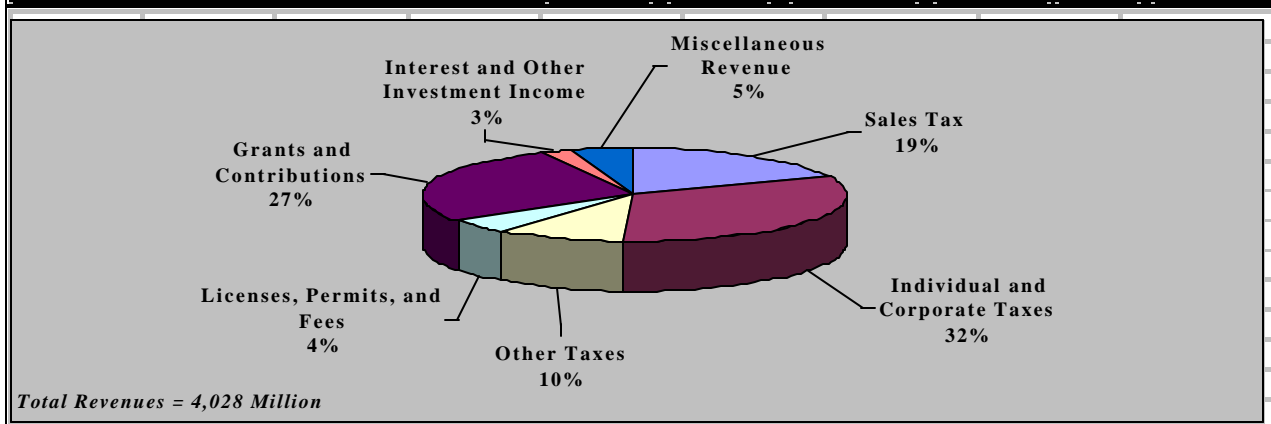
General Government Revenues

The following is a summary of the general government revenues for all governmental fund types for the fiscal year ended June 30, 2000. Changes in revenues from 1999 to 2000 were highlighted by the following:

- The 28 percent increase in Miscellaneous revenues was due mainly to tobacco settlement receipts.
- The 16 percent increase in Idaho's Individual and Corporate Income Tax was brought about by Idaho's continuing robust economy.
- The 17 percent increase in Grants and Contributions was due to an \$85 million increase in health grants, a \$35 million increase in education grants, and a \$30 million increase in transportation grants.

Comparison of Revenue by Source* (in millions)						
Account	1998 Amount	1999 Amount	% Change From 1998	2000 Amount	% of Total	% Change From 1999
Sales Tax	\$664	\$712	7%	\$762	19%	7%
Individual and Corporate Taxes	1,053	1,109	5%	1,285	32%	16%
Other Taxes	378	386	2%	407	10%	5%
Licenses, Permits, and Fees	158	168	6%	179	4%	7%
Grants and Contributions	903	940	4%	1,101	27%	17%
Interest and Other Investment Income	98	103	5%	102	3%	(1)%
Miscellaneous Revenue	136	150	10%	192	5%	28%
Total Revenue	3,390	3,568	5%	4,028	100%	13%
Other Financing Sources						
Operating Transfers In	368	345	(6)%	404		17%
Total Revenue and Other Financing Sources	\$3,758	\$3,913	4%	\$4,432		13%

*This table includes governmental fund types only. For further information, refer to the Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - All Governmental Fund Types and Expendable Trust Funds.



General Government Expenditures

The following is a summary of the general government expenditures for all governmental fund types for the fiscal year ended June 30, 2000.

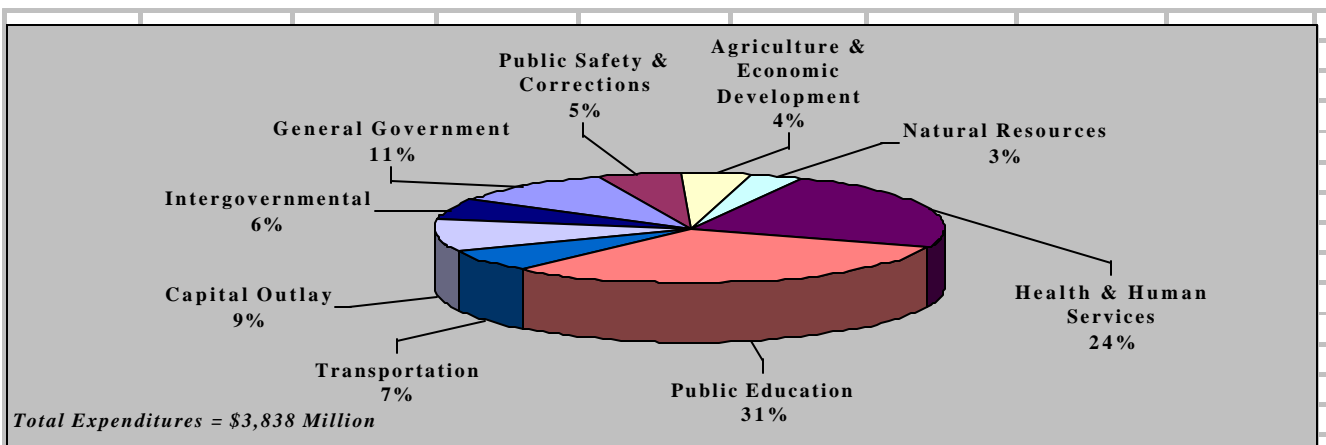
Total expenditures were roughly comparable from 1999 to 2000. Changes in expenditures from 1999 to 2000 were highlighted by the following:

- The 14 percent increase in Intergovernmental was brought about by increased federal grant spending for education and a \$28 million dollar increase in school apportionment distributions.
- The 11 percent increase in General Government costs was mainly due to an \$18 million dollar increase in tax refunds.
- The 9 percent increase in Health and Human Services costs was brought about by a \$96 million increase in income assistance payments and a \$62 million increase in medical assistance payments. The medical assistance payments increase was largely due to a rise in Medicaid costs.

Comparison of Expenditures by Function* (in millions)

Account	1998 Amount	1999 Amount	% Change From 1998	2000 Amount	% of Total	% Change From 1999
General Government	\$413	\$379	(8)%	\$419	11%	11%
Public Safety & Corrections	174	191	10%	204	5%	7%
Agriculture & Economic Development	145	156	8%	168	4%	8%
Natural Resources	109	117	7%	126	3%	8%
Health & Human Services	773	836	8%	912	24%	9%
Public Education	1,006	1,134	13%	1,170	31%	3%
Transportation	224	249	11%	253	7%	2%
Capital Outlay	267	324	21%	350	9%	8%
Intergovernmental	220	207	(6)%	236	6%	14%
Total Expenditures	3,331	3,593	8%	3,838	100%	7%
Other Financing Sources						
Operating Transfers Out	339	315	(7)%	378		20%
Total Expenditures and Other Financing Sources	\$3,670	\$3,908	6%	\$4,216		8%

*This table includes governmental fund types only. For further information, refer to the Combined Statement of Revenues, Expenditures, and Charges in Fund Balances - All Governmental Fund Types and Expendable Trust Funds.



Proprietary Operations

Activities of government that are similar to private sector businesses are accounted for in enterprise and internal service funds.

Enterprise Funds are established to account for services provided to the public for which revenues derived by the activity will support those services. The Loan Fund is the State's largest enterprise fund and was initially capitalized by grants from the Environmental Protection Agency and matching State monies. The fund will be self-sustaining through revenues generated from principal and interest received on loans provided to municipalities for construction of sewage treatment plants and drinking water systems. The State Lottery is the second largest enterprise fund. Revenues generated by the State Lottery, after allowances for prizes and expenses, are distributed equally between the Permanent Building Fund and the Public School Income Funds.

Internal Service Funds provide services to state and local governments and are financed through user charges. Most funds attempt to operate on a break-even basis. Rates are adjusted annually for over or under recovery of costs. While the State's internal service funds reside primarily within the Department of Administration and include Group Insurance, Risk Management, postal, and communication services; the State Controller's Office also has an internal service fund for Data Processing costs.

Fiduciary Fund Types

Fiduciary funds are used to account for assets held by the State in a trustee capacity or as an agent in a custodial capacity. Fiduciary funds include expendable trust, nonexpendable trust, pension trust, investment trust, and agency funds. They are established through trust agreements that specify how the funds will operate. The expendable trust fund, the Unemployment Compensation Fund, from which unemployment benefits are paid, is a fund from which both principal and income can be spent. Nonexpendable trust funds, such as the Endowment Fund, are funds from which the principal cannot be spent but the income may. The State's pension trust funds include the Public Employee Retirement System of Idaho Plan, the Firemen's Retirement Fund, the Idaho Super Saver 401(k) Plan, and the Judges' Retirement Fund. The State's investment trust fund accounts for the Joint Exercise of Powers,

an investment pool that other Idaho governmental entities (cities, counties, etc.) can place excess funds in to earn higher interest rates.

Constitutional Debt Limitation

Article VIII, Section 1, of the *Idaho Constitution* was amended in 1998 to specify that the Legislature shall not create any debts or liabilities, except in extreme emergencies, unless authorized by law and then approved by the people in a general election. This section shall not apply to liabilities incurred for ordinary operating expenses, nor shall it apply to debts or liabilities that are repaid by the end of the fiscal year. The debts or liabilities of independent public bodies corporate and politic created by law and which have no power to levy taxes or obligate the general fund of the State are not debts or liabilities of the State of Idaho. The provisions of this section shall not make illegal those types of financial transactions that were legal on or before November 3, 1998.

Debt Administration

The State has no outstanding general obligation debt.

Risk Management

The State maintains a combination of commercial and self-insurance to cover the risk of losses to which it may be exposed. The Risk Management Fund manages property and general liability risk. It self-insures general liability up to \$500,000 per claim and property damage claims up to \$250,000 per claim. Commercial insurance is purchased for property and general liability risks not self-insured. The Group Insurance Fund manages life, health, and disability insurance programs. While the State purchases commercial insurance to cover losses for these programs, losses that exceed 100 percent of the annual carrier premiums are paid by the State, up to 114 percent of the premium (110 percent for life insurance). The insurance carrier then assumes the risk of loss for claims above these amounts.

Independent Audit

In accordance with *Idaho Code*, Section 67-429, the Legislative Audit staff of the State Legislature has audited the State's financial statements for the year ended June 30, 2000. The audit was conducted in accordance with generally accepted governmental

included in the Financial Section of this report. Audit testing for compliance with the federal Single Audit Act of 1984 and related OMB Circular A-133 is performed at the statewide level.

Awards

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the State of Idaho for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 1999. This was the third consecutive year that the State of Idaho has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. We believe that our current comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate. We are committed to this ongoing effort and intend to maintain a highly qualified and professional staff to make Idaho's certification possible. One of the State's agencies, the Public Employee Retirement System of Idaho (PERSI), has prepared a Comprehensive Annual Financial Report for the fund covering the last nine years. PERSI should be recognized for this major accomplishment.

Acknowledgments

The State Controller's Office takes great pride in the preparation of this comprehensive report. It is an honor to recognize our staff for their extraordinary diligence and excellence in preparing the CAFR. The professionalism, dedication, and extra effort put forth by all the individuals involved has been exemplary.

Sincere appreciation is extended to Governor Dirk Kempthorne for his support in preparing this report. His support makes it possible to prepare a complete and accurate report of the State's financial position and results of operations. This report allows managers in the State to adequately plan for Idaho's future in order to maintain a strong financial position. This report also reflects the commitment and efforts of the Division of Financial Management staff led by

Ferguson, provided information contained in the economic condition and outlook portion of this letter.

Sincere appreciation is extended to the budget and accounting officers throughout state government for their major efforts in providing timely information necessary to complete this report. In addition, the strong support of the Legislature and particularly the Joint-Finance Appropriation Committee has made this cornerstone of accountability available to our citizens.

Finally, the auditing staff at Legislative Services led by Larry Kirk must be recognized for true dedication and professionalism. Their independent and critical review of this CAFR has truly served the citizens of Idaho. Much of the credit for our success, and in being able to submit this report on a timely basis to the Idaho Legislature and other state policy makers, goes to them.

Respectfully submitted,



J. D. Williams
Idaho State Controller

Certificate of Achievement for Excellence in Financial Reporting

Presented to

State of
Idaho

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 1999

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Anne Spray Kinney
President

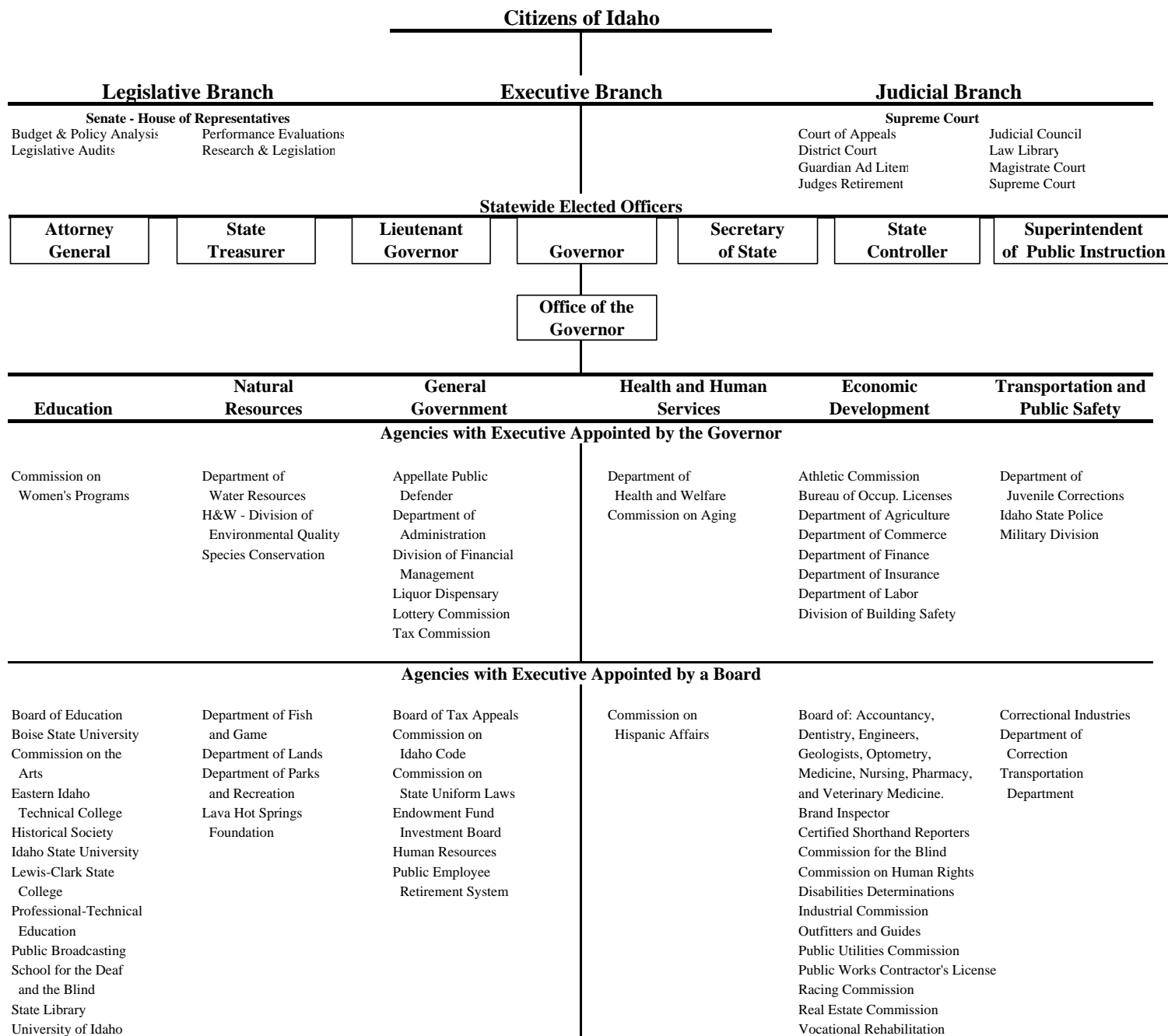
Jeffrey L. Esser
Executive Director



1999-2000 Organization Chart

Idaho State Government

State agencies based on gubernatorial appointment authority



ELECTED OFFICIALS OF THE STATE OF IDAHO



PETE T. CENNARUSA
Secretary of State



DIRK KEMPTHORNE
Governor



C.L. "BUTCH" OTTER
Lieutenant Governor



J. D. WILLIAMS
State Controller



RON CRANE
State Treasurer



ALAN G. LANCE
Attorney General



MARILYN HOWARD
Superintendent of
Public Instruction



BRUCE NEWCOMB
Speaker, Idaho House of
Representatives



LINDA COPPLE TROUT
Chief Justice,
Idaho Supreme Court



BOB GEDDES
President, Pro Tempore
Idaho State Senate

Financial Section



Member of the Lewis and Clark Corps of Discovery
Lewis and Clark at Three Forks, by Edgar S. Paxson
Photographer: Don Beatty
Courtesy of the Montana Historical Society



Legislative Services Office Idaho State Legislature

Carl F. Bianchi
Director

State Capitol
P.O. Box 83720
Boise, ID 83720-0054
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December 21, 2000

Independent Auditor's Report

Honorable Dirk Kempthorne, Governor
Honorable J.D. Williams, State Controller
Honorable Members of the Legislature

We have audited the accompanying general-purpose financial statements of the State of Idaho as of and for the year ended June 30, 2000, as listed in the table of contents. These general-purpose financial statements are the responsibility of the State of Idaho's management. Our responsibility is to express an opinion on the general-purpose financial statements based on our audit. We did not audit the financial statements of certain agencies of the primary government and the blended component unit, which statements reflect the indicated percentage of total assets (liabilities) and total revenues, respectively, of the enterprise fund (44% and 49%), trust and agency fund (90% of assets), general fixed assets account group (15% of assets), general long-term debt account group (59% of liabilities), and colleges and universities (100% and 100%). We also did not audit the financial statements of the discretely presented component units. Those financial statements were audited by other auditors, whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for those agencies and component units, is based on the reports of the other auditors.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. The financial statements of the discretely presented component units, the Idaho Life and Health Insurance Guaranty Association and the Idaho Housing and Finance Association, were not audited in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States, and accordingly, are not covered by our reports in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general-purpose financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinion.

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Serving Idaho's Citizen Legislature


In our opinion, based upon our audit and the reports of other auditors, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the State of Idaho as of June 30, 2000, and the results of its operations, the cash flows of its proprietary fund types, similar trust funds and discretely presented component units, the changes in net assets of its pension trust funds and investment trust fund, and the changes in fund balances and current funds revenues, expenditures, and other changes of college and university funds for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have issued our report dated December 21, 2000, on our consideration of the State of Idaho's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the general-purpose financial statements of the State of Idaho taken as a whole. The combining statements and schedules and required supplementary information listed in the accompanying table of contents are presented for the purposes of additional analysis and are not a required part of the general-purpose financial statements of the State of Idaho. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, based on our audit and the reports of other auditors, is fairly presented in all material respects in relation to the general-purpose financial statements taken as a whole.

We did not audit the data included in the introductory and statistical sections, and accordingly, express no opinion thereon.

Legislative Audits

By: 
Larry R. Kirk, CPA
Audit Supervisor

LRK/rt



General Purpose Financial Statements



Bannock Chief, Buffalo Horn
Idaho State Historical Society

**Combined Balance Sheet - All Fund Types, Account Groups, and
Discretely Presented Component Units
June 30, 2000**

	Governmental Fund Types		Proprietary Fund Types		Fiduciary Fund Types
	General	Special Revenue	Enterprise	Internal Service	Trust and Agency
Assets and Other Debits					
Cash Equity with Treasurer	\$357,525,902	\$342,289,244	\$67,190,221	\$68,397,568	\$156,050,597
Cash and Cash Equivalents	100,101	19,136,041	226,704		257,686,694
Investments	86,773,586	17,309,636	679,251		8,942,910,317
Accounts Receivable, Net	181,204,715	42,981,075	1,192,155	648,900	51,992,588
Due from Other Funds	60,967	1,012,509	419,322	2,908,663	
Due from Other Entities	640,058	117,672,304			
Inventory	258,869	18,331,882	8,526,770	632,913	
Deferred Bond Financing Costs					
Notes/Mortgages Receivable, Net	68,715	6,424,859	63,558,501		1,662,001
Grand Prizes Receivable			83,846,784		
Other Assets	7,599,044	471,437	3,825,814	1,957,400	1,606,892,015
Fixed Assets, Net			14,192,065	6,847,176	10,805,459
Amount Available for Debt Service					
Amount to be Provided for Long-Term Debt					
Amount to be Provided for Capital Leases					
Total Assets and Other Debits	\$634,231,957	\$565,628,987	\$243,657,587	\$81,392,620	\$11,027,999,671
Liabilities, Equity, and Other Credits					
Liabilities					
Accounts Payable and Other Liabilities	\$21,653,548	\$163,988,340	\$9,950,785	\$1,847,843	\$1,641,320,827
Payroll and Compensated Absences Payable	58,674,537	27,956,691	1,367,171	2,343,284	14,657
Deposits	247,765	9,119,183	679,251	5,227	160,843,265
Due to Other Funds	1,116,774	3,009,593	27,404	247,690	
Due to Other Entities	15,933,155	2,893			76,413,343
Deferred Revenue	26,116,258	27,966,168	21,533	6,143,911	8,185,275
Notes/Bonds/Contracts Payable			6,101,278		
Grand Prizes Payable			83,846,784		
Policy Claim Liabilities				28,249,212	
Capital Leases			2,124,121	29,574	
Total Liabilities	123,742,037	232,042,868	104,118,327	38,866,741	1,886,777,367
Equity and Other Credits					
Other Credits					
Investment in General Fixed Assets					
Equity					
Contributed Capital				2,981,847	
Retained Earnings					
Reserved				12,110,873	
Unreserved			139,539,260	27,433,159	
Fund Balances					
Reserved	30,234,636	87,862,683			8,779,244,455
Unreserved	480,255,284	245,723,436			361,977,849
Total Equity and Other Credits	510,489,920	333,586,119	139,539,260	42,525,879	9,141,222,304
Total Liabilities, Equity, and Other Credits	\$634,231,957	\$565,628,987	\$243,657,587	\$81,392,620	\$11,027,999,671

The accompanying notes are an integral part of the financial statements.

Account Groups			Total Primary Government (Memorandum Only)	Component Units	Total Reporting Entity (Memorandum Only)
General Fixed Assets	General Long- Term Debt	Colleges and Universities			
			\$991,453,532	\$3,362,417	\$994,815,949
		\$83,404,764	360,554,304	30,958,993	391,513,297
		153,579,126	9,201,251,916	428,832,952	9,630,084,868
		49,627,303	327,646,736		327,646,736
		13,305,337	17,706,798		17,706,798
			118,312,362		118,312,362
			27,750,434		27,750,434
		4,702,712	4,702,712	19,030,000	23,732,712
		22,736,315	94,450,391	1,361,055,000	1,455,505,391
			83,846,784		83,846,784
		12,580,994	1,633,326,704	3,930,046	1,637,256,750
\$805,714,542		956,955,485	1,794,514,727	7,493,262	1,802,007,989
	\$4,654,840		4,654,840		4,654,840
	156,382,749		156,382,749		156,382,749
	3,539,850		3,539,850		3,539,850
\$805,714,542	\$164,577,439	\$1,296,892,036	\$14,820,094,839	\$1,854,662,670	\$16,674,757,509
		\$73,983,876	\$1,912,745,219	\$9,319,393	\$1,922,064,612
	\$30,289,085		120,645,425		120,645,425
		766,205	171,660,896	14,961,000	186,621,896
		13,305,337	17,706,798		17,706,798
			92,349,391		92,349,391
		9,635,313	78,068,458	4,970	78,073,428
	130,748,504	198,373,887	335,223,669	1,635,221,000	1,970,444,669
			83,846,784		83,846,784
			28,249,212	4,589,757	32,838,969
	3,539,850	6,634,780	12,328,325		12,328,325
	164,577,439	302,699,398	2,852,824,177	1,664,096,120	4,516,920,297
\$805,714,542		795,536,894	1,601,251,436		1,601,251,436
			2,981,847		2,981,847
			12,110,873	57,150,000	69,260,873
			166,972,419	133,416,550	300,388,969
		112,316,587	9,009,658,361		9,009,658,361
		86,339,157	1,174,295,726		1,174,295,726
805,714,542		994,192,638	11,967,270,662	190,566,550	12,157,837,212
\$805,714,542	\$164,577,439	\$1,296,892,036	\$14,820,094,839	\$1,854,662,670	\$16,674,757,509



Combined Statement of Revenues, Expenditures, and Changes in Fund Balances
All Governmental Fund Types and Expendable Trust Fund
For the Fiscal Year Ended June 30, 2000

	Governmental Fund Types		Fiduciary Fund Type	Total (Memorandum Only)
	General	Special Revenue	Expendable Trust	
Revenues				
Sales Tax	\$756,428,252	\$5,200,000		\$761,628,252
Individual and Corporate Taxes	1,285,261,670			1,285,261,670
Other Taxes	41,767,053	365,013,694	\$93,979,544	500,760,291
Licenses, Permits, and Fees	11,491,868	167,596,859		179,088,727
Sale of Services, Goods, and Property	20,608,696	71,412,454	945,709	92,966,859
Grants and Contributions	5,657,976	1,094,912,495	1,029,271	1,101,599,742
Interest and Other Investment Income	87,317,870	14,979,303	22,259,261	124,556,434
Rent and Lease Income	6,723,250	8,736,087		15,459,337
Miscellaneous Income	57,157,888	28,345,027		85,502,915
Net Inc (Dec) in Fair Value of Investme		(128,396)	(1,723,435)	(1,851,831)
Total Revenues	2,272,414,523	1,756,067,523	116,490,350	4,144,972,396
Expenditures				
Current				
General Government	368,981,790	49,657,671		418,639,461
Public Safety and Correction	151,080,580	53,056,776		204,137,356
Agriculture and Economic Developmen	27,052,425	141,029,916	109,166,083	277,248,424
Natural Resources	29,613,340	96,363,291		125,976,631
Health	13,025,813	756,924,095		769,949,908
Public Education	1,153,358,470	16,561,130		1,169,919,600
Human Services	617,232	141,074,861		141,692,093
Transportation	3,840,543	249,498,199		253,338,742
Capital Outlay	68,899,062	281,756,805	290,704	350,946,571
Intergovernmental	51,926,580	183,877,552		235,804,132
Total Expenditures	1,868,395,835	1,969,800,296	109,456,787	3,947,652,918
Revenues Over (Under) Expenditures	404,018,688	(213,732,773)	7,033,563	197,319,478
Other Financing Sources (Uses)				
Operating Transfers In	103,665,384	300,418,377		404,083,761
Operating Transfers Out	(303,630,858)	(74,586,389)		(378,217,247)
Capital Leases Incurred	130,418			130,418
Total Other Financing Sources (Uses)	(199,835,056)	225,831,988		25,996,932
Revenues and Other Financing Sources Over (Under) Expenditures and Other	204,183,632	12,099,215	7,033,563	223,316,410
Fund Balances - Beginning of Year, as Adjusted	306,306,288	321,486,904	354,944,286	982,737,478
Fund Balances - End of Year	\$510,489,920	\$333,586,119	\$361,977,849	\$1,206,053,888

The accompanying notes are an integral part of the financial statements.

**Combined Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual (Budgetary Basis) - General Fund and Special Revenue Funds
For the Fiscal Year Ended June 30, 2000**

	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Sales Tax	\$745,325,926	\$745,325,926	
Individual and Corporate Taxes	1,262,631,215	1,262,631,215	
Other Taxes	36,096,013	36,096,013	
Licenses, Permits, and Fees	11,496,809	11,496,809	
Sale of Services, Goods, and Property	6,859,489	6,859,489	
Grants and Contributions	5,238,484	5,238,484	
Interest and Other Investment Income	87,601,063	87,601,063	
Rent and Lease Income	7,415,833	7,415,833	
Miscellaneous Income	33,043,354	33,043,354	
Total Revenues	2,195,708,186	2,195,708,186	
Expenditures			
General Government	493,575,229	407,783,106	\$85,792,123
Public Safety and Correction	168,884,877	162,470,305	6,414,572
Agriculture and Economic Development	27,984,918	27,547,781	437,137
Natural Resources	33,192,836	30,838,495	2,354,341
Health	13,131,889	13,130,632	1,257
Public Education	1,242,904,325	1,212,793,633	30,110,692
Human Services	3,903,125	3,900,439	2,686
Transportation	40,138,478	8,831,203	31,307,275
Total Expenditures	\$2,023,715,677	1,867,295,594	\$156,420,083
Revenues Over (Under) Expenditures		328,412,592	
Other Financing Sources (Uses)			
Operating Transfers In		103,665,384	
Operating Transfers Out		(303,630,858)	
Capital Leases Incurred		130,418	
Total Other Financing Sources (Uses)		(199,835,056)	
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing		128,577,536	
Reconciling Items			
Changes Affected by Accrued Revenues		76,706,337	
Changes Affected by Accrued Expenditures		(1,100,241)	
Fund Balances - Beginning of Year, as Adjusted		306,306,288	
Fund Balances - End of Year		\$510,489,920	

The accompanying notes are an integral part of the financial statements.

Special Revenue Funds		
Budget	Actual	Variance Favorable (Unfavorable)
\$4,800,000	\$4,800,000	
357,188,748	357,188,748	
166,685,076	166,685,076	
65,310,784	65,310,784	
1,031,420,225	1,031,420,225	
15,178,015	15,178,015	
8,433,634	8,433,634	
26,561,910	26,561,910	
1,675,578,392	1,675,578,392	
61,726,397	57,684,137	\$4,042,260
78,000,564	63,334,165	14,666,399
175,701,067	157,626,392	18,074,675
162,023,102	123,592,977	38,430,125
752,330,441	727,642,968	24,687,473
167,814,935	141,946,044	25,868,891
190,744,746	161,849,184	28,895,562
590,710,588	478,974,383	111,736,205
\$2,179,051,840	1,912,650,250	\$266,401,590
	(237,071,858)	
	300,418,377	
	(74,586,389)	
	225,831,988	
	(11,239,870)	
	80,489,131	
	(57,150,046)	
	321,486,904	
	\$333,586,119	

**Combined Statement of Revenues, Expenses, and Changes in
Retained Earnings/Fund Balances - All Proprietary Fund Types, Similar Trust Funds, and
Discretely Presented Component Units
For the Fiscal Year Ended June 30, 2000**

	Proprietary Fund Types		Fiduciary Fund Type	Total Primary Government (Memorandum Only)
	Enterprise	Internal Service	Non- expendable Trust	
Operating Revenues				
Licenses, Permits, and Fees	\$144,071			\$144,071
Sale of Services, Goods, and Property	159,166,207	\$128,001,889	\$55,715,104	342,883,200
Contributions and Other Additions	14,552,850	487,500		15,040,350
Interest and Other Investment Income	1,880,050			1,880,050
Rent and Lease Income		5,428,165		5,428,165
Miscellaneous Income	792,608	2,988,279		3,780,887
Total Operating Revenues	176,535,786	136,905,833	55,715,104	369,156,723
Operating Expenses				
Personnel Costs	9,923,598	17,512,423		27,436,021
Services	10,735,287	9,649,981		20,385,268
Travel	78,155	224,117		302,272
Supplies	42,932,284	1,661,701		44,593,985
Insurance, Utilities, and Rent	2,957,646	3,030,285		5,987,931
Miscellaneous	2,316,648	1,233,145		3,549,793
Depreciation	1,982,737	1,850,860		3,833,597
Awards and Claims	50,953,594	93,229,454		144,183,048
Payment as Agent	10,698,574			10,698,574
Total Operating Expenses	132,578,523	128,391,966		260,970,489
Operating Income (Loss)	43,957,263	8,513,867	55,715,104	108,186,234
Nonoperating Revenues (Expenses)				
Interest Income	2,625,216	3,516,891		6,142,107
Investment Income				
Net Inc (Dec) in Fair Value of Investments			(10,497,675)	(10,497,675)
Interest Expense	(25,532)	(6,274)		(31,806)
Gain on Disposition of Fixed Assets	1,921	12,869		14,790
Loss on Disposition of Fixed Assets	(3,401)	(56,224)		(59,625)
Other				
Total Nonoperating Revenues (Expenses)	2,598,204	3,467,262	(10,497,675)	(4,432,209)
Income (Loss) Before Operating Transfers	46,555,467	11,981,129	45,217,429	103,754,025
Operating Transfers In	4,700,000	87,166		4,787,166
Operating Transfers Out	(29,895,000)	(758,680)		(30,653,680)
Net Income (Loss)	21,360,467	11,309,615	45,217,429	77,887,511
Beginning Retained Earnings/Fund Balances, as Adjusted	118,178,793	28,234,417	768,749,748	915,162,958
Ending Retained Earnings/Fund Balances	\$139,539,260	\$39,544,032	\$813,967,177	\$993,050,469

The accompanying notes are an integral part of the financial statements.

Component Units	Total Reporting Entity (Memorandum Only)
\$9,075,715	\$9,219,786
43,332	342,926,532
	15,040,350
83,688,000	85,568,050
	5,428,165
1,862,488	5,643,375
94,669,535	463,826,258
4,743,684	32,179,705
5,483,744	25,869,012
	302,272
	44,593,985
11,775	5,999,706
3,401,321	6,951,114
1,401,097	5,234,694
2,906,793	147,089,841
	10,698,574
17,948,414	278,918,903
76,721,121	184,907,355
570,568	6,712,675
21,432,796	21,432,796
(2,549,501)	(13,047,176)
(87,004,000)	(87,035,806)
	14,790
	(59,625)
(1,827,000)	(1,827,000)
(69,377,137)	(73,809,346)
7,343,984	111,098,009
	4,787,166
	(30,653,680)
7,343,984	85,231,495
183,222,566	1,098,385,524
\$190,566,550	\$1,183,617,019

**Combined Statement of Cash Flows - All Proprietary Fund Types, Similar Trust Funds, and Discretely Presented Component Units
For the Fiscal Year Ended June 30, 2000**

	Proprietary Fund Types		Fiduciary Fund Type
	Enterprise	Internal Service	Non- expendable Trust
Increase (Decrease) in Cash, Cash Equivalents, and Cash Equity with Treasurer			
Cash Flows from Operating Activities			
Receipts from Customers, Loan Interest, and Fees	\$174,667,616	\$6,891,313	\$54,766,910
Receipts from State Agency Customers	5,864,070	129,557,330	
Loan Principal Payments			
Payments to Suppliers	(80,541,632)	(14,396,852)	
Payments to Employees for Services and Benefits	(9,764,034)	(17,198,259)	
Payments to State Agency Suppliers	(260,891)	(1,668,721)	
Payments of Awards and Claims	(51,021,512)	(99,747,319)	
Loan Principal Additions			
Payments as Agent	(13,345,878)		
Net Cash Provided (Used) by Operating Activities	25,597,739	3,437,492	54,766,910
Cash Flows from Noncapital Financing Activities			
Operating Transfers In	4,700,000	87,166	
Operating Transfers Out	(29,895,000)	(758,680)	
Deferred Bond Financing Cost			
Interest Paid	(319,936)	(4,310)	
Payment of Bonds			
Bonds Issued			
Net Cash Provided (Used) by Noncapital Financing Activities	(25,514,936)	(675,824)	
Cash Flows from Capital and Related Financing Act			
Proceeds from Disposition of Capital Assets	1,921	1,728	
Acquisition and Construction of Capital Assets	(2,460,180)	(1,478,329)	
Net Cash Provided (Used) by Capital and Related Financing Act	(2,458,259)	(1,476,601)	
Cash Flows from Investing Activities			
Receipt of Interest and Dividends	2,605,008	3,516,891	724,711
Purchase of Investments			(5,904,134,602)
Redemption of Investments			5,847,363,171
Investment Income			
Other Investing Activities	115,249		
Net Cash Provided (Used) by Investing Activities	2,720,257	3,516,891	(56,046,720)
Net Increase (Decrease) in Cash, Cash Equivalents, and Cash Equity with Treasurer	344,801	4,801,958	(1,279,810)
Beginning Cash, Cash Equivalents, and Cash Equity with Treasurer, as Adjusted	67,072,124	63,595,610	1,279,810
Ending Cash, Cash Equivalents, and Cash Equity with Treasurer	\$67,416,925	\$68,397,568	\$0

The accompanying notes are an integral part of the financial statements.

Continued

Total Primary Government (Memorandum Only)	Component Units	Total Reporting Entity (Memorandum Only)
\$236,325,839	\$92,499,153	\$328,824,992
135,421,400		135,421,400
	123,369,000	123,369,000
(94,938,484)	(3,708,655)	(98,647,139)
(26,962,293)	(4,744,018)	(31,706,311)
(1,929,612)		(1,929,612)
(150,768,831)	(5,821,693)	(156,590,524)
	(274,157,000)	(274,157,000)
(13,345,878)		(13,345,878)
83,802,141	(72,563,213)	11,238,928
4,787,166		4,787,166
(30,653,680)		(30,653,680)
	(3,549,000)	(3,549,000)
(324,246)	(82,548,000)	(82,872,246)
	(160,773,000)	(160,773,000)
	298,230,000	298,230,000
(26,190,760)	51,360,000	25,169,240
3,649		3,649
(3,938,509)	(284,000)	(4,222,509)
(3,934,860)	(284,000)	(4,218,860)
6,846,610		6,846,610
(5,904,134,602)	(1,196,798,468)	(7,100,933,070)
5,847,363,171	1,194,266,207	7,041,629,378
	3,301,454	3,301,454
115,249	18,012,000	18,127,249
(49,809,572)	18,781,193	(31,028,379)
3,866,949	(2,706,020)	1,160,929
131,947,544	37,027,430	168,974,974
\$135,814,493	\$34,321,410	\$170,135,903

Combined Statement of Cash Flows - All Proprietary Fund Types, Similar Trust Funds, and Discretely Presented Component Units
For the Fiscal Year Ended June 30, 2000

	Proprietary Fund Types		Fiduciary Fund Type
	Enterprise	Internal Service	Non-expendable Trust
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$43,957,263	\$8,513,867	\$55,715,104
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Amortization of Deferred Loan Discounts			
Depreciation	1,982,737	1,850,860	
Interest and Investment Income	20,212		
Interest Expense	294,404	(1,964)	
(Increase) Decrease in Accounts Receivable, Net	1,879,546	133,901	(1,882,593)
(Increase) Decrease in Notes/Mortgages Receivable	(16,641,871)		934,399
(Increase) Decrease in Grand Prize Receivables	3,608,740		
(Increase) Decrease in Due from Other Funds		(1,077,394)	
(Increase) Decrease in Inventory	(560,556)	59,892	
(Increase) Decrease in Other Assets	(946,408)	(462,241)	
(Increase) Decrease in Customer Loan Principal			
Increase (Decrease) in Accounts Payable and Other Liabilities	(4,499,753)	(308,581)	
Increase (Decrease) in Interest Payable			
Increase (Decrease) in Grand Prizes Payable	(3,608,740)		
Increase (Decrease) in Deferred Revenue	8,910	688,678	
Increase (Decrease) in Due to Other Funds	(48,135)	(133,244)	
Increase (Decrease) in Deposits	(11,000)	5,227	
Increase (Decrease) in Payroll and Compensated Absences	162,390	243,205	
Increase (Decrease) in Policy Claim Liabilities		(6,074,714)	
Total Adjustments	(18,359,524)	(5,076,375)	(948,194)
Net Cash Provided (Used) by Operating Activities	\$25,597,739	\$3,437,492	\$54,766,910

Noncash Transactions:

Noncash transactions are investing and financing activities that affect assets and liabilities but do not result in cash receipts or payments. The following noncash transactions occurred during the year: The State Lottery, an enterprise fund, reported accretion of grand prize annuities receivable from the Multi-State Lottery Association, with a corresponding increase in the grand prizes payable totaling \$5,761,260. Nonexpendable trust funds reported an unrealized loss of \$679,973 in the Public School Endowment and \$1,860,904 unrealized gain in the Pooled Endowments due to investing activities.

Cash, Cash Equivalents, and Cash Equity with Treasurer Reconciliation to Combined Balance Sheet

Total Trust and Agency	\$413,737,291
Less: Expendable Trust Fund	(275,468,715)
Investment Trust Fund	(110,798,149)
Pension Trust Funds	(2,815,291)
Agency Funds	(24,655,136)
Nonexpendable Trust Cash, Cash Equivalents, and Cash Equity with Treasurer	\$0

The accompanying notes are an integral part of the financial statements.

Total Primary Government (Memorandum Only)	Component Units	Total Reporting Entity (Memorandum Only)
\$108,186,234	\$76,721,121	\$184,907,355
	(2,554,000)	(2,554,000)
3,833,597	1,401,097	5,234,694
20,212		20,212
292,440		292,440
130,854	(515,000)	(384,146)
(15,707,472)	123,369,000	107,661,528
3,608,740		3,608,740
(1,077,394)		(1,077,394)
(500,664)		(500,664)
(1,408,649)	1,237,024	(171,625)
	(274,157,000)	(274,157,000)
(4,808,334)	196,976	(4,611,358)
	726,000	726,000
(3,608,740)		(3,608,740)
697,588	704	698,292
(181,379)		(181,379)
(5,773)	898,000	892,227
405,595		405,595
(6,074,714)	112,865	(5,961,849)
(24,384,093)	(149,284,334)	(173,668,427)
\$83,802,141	(\$72,563,213)	\$11,238,928

Statement of Changes in Net Assets
Pension Trust Funds and Investment Trust Fund
For the Fiscal Year Ended June 30, 2000

	Public Employee Retirement System of Idaho Plan	Firemen's Retirement Fund	Idaho Super Saver - 401(k) Plan
Additions			
Contributions:			
Member	\$112,635,620	\$301,621	\$5,333,636
Employer	182,860,355	8,674,589	
Pool Participant Deposits			
Total Contributions and Deposits	295,495,975	8,976,210	5,333,636
Investment Income:			
Net Appreciation (Depreciation) in Fair Value of Investm	609,208,754	18,807,997	734,293
Interest and Other Investment Income	218,123,221	6,734,081	671,556
Less: Investment Expenses	(23,258,244)	(718,048)	
Net Investment Income	804,073,731	24,824,030	1,405,849
Licenses, Permits, and Fees			
Miscellaneous Income	301,280		
Total Additions	1,099,870,986	33,800,240	6,739,485
Deductions			
Services	4,247,558		35,967
Plan Benefits and Refunds Paid to Plan Members	232,863,777	12,028,034	629,349
Earnings Distribution			
Pool Participant Withdrawals			
Total Deductions	237,111,335	12,028,034	665,316
Increase in Net Assets	862,759,651	21,772,206	6,074,169
Net Assets Held in Trust for Pension Benefits and External Investment Pool Participants:			
Beginning of Year	6,193,064,560	196,051,741	14,826,756
End of Year	\$7,055,824,211	\$217,823,947	\$20,900,925

The accompanying notes are an integral part of the financial statements.

Judges' Retirement Fund	Total Pension Trust	Joint Exercise of Powers	Total
\$274,618	\$118,545,495		\$118,545,495
276,861	191,811,805		191,811,805
		\$1,380,093,876	1,380,093,876
551,479	310,357,300	1,380,093,876	1,690,451,176
(4,035,352)	624,715,692	(1,341,996)	623,373,696
1,753,163	227,282,021	39,734,513	267,016,534
(254,042)	(24,230,334)	(184,725)	(24,415,059)
(2,536,231)	827,767,379	38,207,792	865,975,171
1,363,327	1,363,327		1,363,327
	301,280		301,280
(621,425)	1,139,789,286	1,418,301,668	2,558,090,954
37,297	4,320,822		4,320,822
1,702,510	247,223,670		247,223,670
		31,892,540	31,892,540
		1,472,940,326	1,472,940,326
1,739,807	251,544,492	1,504,832,866	1,756,377,358
(2,361,232)	888,244,794	(86,531,198)	801,713,596
60,807,394	6,464,750,451	698,813,231	7,163,563,682
\$58,446,162	\$7,352,995,245	\$612,282,033	\$7,965,277,278

Combined Statement of Changes in Fund Balances

All College and University Funds

For the Fiscal Year Ended June 30, 2000

	Current Funds			
	Unrestricted	Auxiliary	Restricted	Student Loan
Revenues and Other Additions				
Unrestricted Current Funds Revenues	\$373,973,606	\$85,990,507		
Student Fees				\$7,755
Private Gifts, Grants, and Contracts			\$22,637,164	27,386
Government Grants and Contracts			173,117,056	556,686
Government Appropriations			32,349,728	
Investment Income			727	131,033
Interest on Loans Receivable				446,841
Expended for Plant Facilities				
Retirement of Indebtedness				
Change in Unrealized Appreciation on Securities				(39,690)
Proceeds from Issuance of Bonds and Notes Payable				
Public Works Projects Completed				
Other Additions			3,670,397	472,635
Total Revenues and Other Additions	373,973,606	85,990,507	231,775,072	1,602,646
Expenditures and Other Deductions				
Educational and General	356,056,133		227,075,752	
Auxiliary Enterprises Expenditures		77,566,080		
Indirect Costs Recovered			6,738,893	
Loan Cancellations and Write-Offs				353,805
Expended for Plant Facilities				
Retirement of Indebtedness				
Interest on Indebtedness				
Disposal of Plant Facilities				
Additions to Indebtedness				
Additions to Capital Leases				
Other Deductions				304,066
Total Expenditures and Other Deductions	356,056,133	77,566,080	233,814,645	657,871
Transfers				
Principal and Interest	(8,275,423)	(5,848,859)	(57,091)	
Loans and Matching Grants	(1,514,970)	(12,729)	1,413,508	114,191
Net Transfers (Voluntary)	210,131	203,352	503,040	(49,927)
Total Transfers	(9,580,262)	(5,658,236)	1,859,457	64,264
Net Increase (Decrease) for the Year	8,337,211	2,766,191	(180,116)	1,009,039
Fund Balances - Beginning of Year	34,216,361	14,178,338	7,453,602	23,727,837
Fund Balances - End of Year	\$42,553,572	\$16,944,529	\$7,273,486	\$24,736,876

The accompanying notes are an integral part of the financial statements.

Plant Funds					
Endowment	Unexpended Plant	Renewal and Replacement	Retirement of Indebtedness	Net Investment in Plant	Total
					\$459,964,113
					7,755
\$4,070,856	\$1,146,429			\$2,092,044	29,973,879
	3,921,365		\$451,569		178,046,676
					32,349,728
3,870,830	2,978,777	\$62,020	906,544		7,949,931
					446,841
			2,390,000	73,106,920	75,496,920
				6,709,015	6,709,015
(6,067,001)	(344)	(94,070)	(105,217)		(6,306,322)
	10,980,000		1,475,000		12,455,000
				6,044,794	6,044,794
181,089	143,300		17,879	13,973	4,499,273
2,055,774	19,169,527	(32,050)	5,135,775	87,966,746	807,637,603
					583,131,885
					77,566,080
					6,738,893
			1,751		355,556
	44,749,014	1,267,727			46,016,741
			6,709,015		6,709,015
			10,853,210		10,853,210
				11,884,104	11,884,104
				14,845,000	14,845,000
				222,618	222,618
5,074,917	207,123		386,408	48,007	6,020,521
5,074,917	44,956,137	1,267,727	17,950,384	26,999,729	764,343,623
	1,402	15,089	14,164,882		
	5,494,327	24,766	(6,385,689)		
	5,495,729	39,855	7,779,193		
(3,019,143)	(20,290,881)	(1,259,922)	(5,035,416)	60,967,017	43,293,980
80,650,922	67,999,896	6,180,656	25,511,246	690,979,800	950,898,658
\$77,631,779	\$47,709,015	\$4,920,734	\$20,475,830	\$751,946,817	\$994,192,638

Combined Statement of Current Funds Revenues, Expenditures, and Other Changes
All College and University Funds
For the Fiscal Year Ended June 30, 2000

	Unrestricted	Auxiliary	Restricted	Total
Revenues				
Appropriated General Education Revenues				
State General Account - General Education	\$196,116,470	\$5,656,957		\$201,773,427
Endowment Income	12,720,572			12,720,572
Student Fees and Miscellaneous Receipts	62,255,667			62,255,667
Idaho Dental Education Program	575,100			575,100
Museum of Natural History	517,700			517,700
Family Practice	449,100			449,100
Other State General Accounts			\$27,518,280	27,518,280
Federal Appropriations			4,522,149	4,522,149
Vocational Education	21,150,028			21,150,028
Federal Grants and Contracts	125,931		149,775,455	149,901,386
State Grants and Contracts	593,452		19,066,408	19,659,860
Private Gifts, Grants, and Contracts	5,113,359	1,625,395	20,982,538	27,721,292
Other Student Fees	41,069,459	21,331,814	342,101	62,743,374
Sales and Services of Educational Departments	12,545,781		228,533	12,774,314
Sales and Services of Auxiliary Enterprises	67,531	56,491,615		56,559,146
Indirect Costs Recovered	6,750,082			6,750,082
Other Sources	15,018,736	901,117	3,283,871	19,203,724
Net Inc (Dec) in Fair Value of Investments	(1,095,362)	(16,391)		(1,111,753)
Total Revenues	373,973,606	85,990,507	225,719,335	685,683,448
Expenditures and Mandatory Transfers				
Educational and General				
Instruction	176,008,178		26,172,508	202,180,686
Research	15,297,005		48,852,310	64,149,315
Public Service	5,442,925		21,162,659	26,605,584
Academic Support	30,365,606		847,929	31,213,535
Libraries	16,388,800		212,039	16,600,839
Student Services	20,602,334		2,466,052	23,068,386
Institutional Support	42,230,251		424,329	42,654,580
Operations and Maintenance of Plant	36,355,135		843,883	37,199,018
Scholarships and Fellowships	13,365,899		126,094,043	139,459,942
Educational and General Expenditures	356,056,133		227,075,752	583,131,885
Mandatory Transfers for Loans and Matching Grants	1,514,970		(1,413,508)	101,462
Mandatory Transfers for Principal and Interest	8,275,423		57,091	8,332,514
Total Educational and General	365,846,526		225,719,335	591,565,861
Auxiliary Enterprises				
Expenditures		77,566,080		77,566,080
Mandatory Transfers for Principal and Interest		5,848,859		5,848,859
Matching Grants		12,729		12,729
Total Auxiliary Enterprises		83,427,668		83,427,668
Total Expenditures and Mandatory Transfers	365,846,526	83,427,668	225,719,335	674,993,529
Other Transfers and Additions (Deductions)				
Excess (Deficiency) of Restricted Receipts Over Transfers to Revenue			(683,156)	(683,156)
Net Transfers (Voluntary)	210,131	203,352	503,040	916,523
Total Other Transfers and Additions (Deduction)	210,131	203,352	(180,116)	233,367
Net Increase (Decrease) in Fund Balances	\$8,337,211	\$2,766,191	(\$180,116)	\$10,923,286

The accompanying notes are an integral part of the financial statements.

**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2000**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The accompanying financial statements of the State of Idaho have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). GASB is the standard-setting body for governmental accounting and financial reporting principles.

Preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

The accompanying financial statements present the financial position of the various fund types and account groups, the results of operations of the various fund types, and the cash flows of the proprietary and nonexpendable trust funds. The financial statements include the various departments, agencies, and other organizational units governed by the Idaho State Legislature and/or Constitutional Officers of the State of Idaho.

The financial statements are presented as of and for the year ended June 30, 2000, except for the State Bar (presented in the Regulatory Special Revenue Fund) whose statements are as of and for the fiscal year ended December 31, 1999; the Idaho Dairy Products Commission (presented in the Agriculture and Natural Resources Special Revenue Fund) whose statements are as of and for the fiscal year ended December 31, 1999; the Idaho Potato Commission (presented in the Agriculture and Natural Resources Special Revenue Fund) whose statements are as of and for the year ended August 31, 2000; the Petroleum Clean Water Trust Fund and the Idaho Life and Health Insurance Guaranty Association (discretely presented component units) whose financial statements are as of and for the year ended December 31, 1999.

B. Financial Reporting Entity

For financial reporting purposes, the State has included all funds, agencies, boards, commissions, authorities, and account groups. The State has also considered potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationships with the State are such that exclusion would cause the State's financial statements to be misleading or incomplete. As defined by GASB, financial accountability exists, generally, if the State appoints a voting majority of the organization's governing board and (1) the State is able to impose its will on the organization, or (2) if there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the State.

As required by GAAP, these financial statements present the State of Idaho (primary government) and its component units. The component units are included in the State's reporting entity because of the significance of their operational or financial relationships with the State.

Blended Component Unit

The following component unit is legally separate from the State but is reported as part of the State and blended into the appropriate fund and account groups:

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2000

Idaho State Building Authority. The Idaho State Building Authority was created by *Idaho Code*, Title 67, Chapter 64, to finance and construct facilities, such as office buildings and parking garages, to be used and leased by the State. Following the guidance provided by the National Council on Governmental Accounting (NCGA) Statement No. 5, *Accounting and Financial Reporting Principles for Lease Agreements of State and Local Governments*, and Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, the Idaho State Building Authority is presented as a blended component unit in a special revenue fund, the General Long-Term Debt Account Group, and the General Fixed Assets Account Group. GASB Statement No. 14 requires the Idaho State Building Authority to be presented as a blended component unit because the Board is appointed by the Governor, the Authority relies entirely on the State's leasing agreements, resulting in a significant financial benefit/burden relationship, and the Authority provides services entirely to the State of Idaho. *Idaho Code*, Section 67-6419 states, "The notes, bonds, or other obligations of the authority shall not be or become an indebtedness or obligation of the state of Idaho...nor shall such notes, bonds or obligations of the authority constitute the giving or loaning of the credit of the state of Idaho...." The General Long-Term Debt Account Group includes \$97.5 million of the Authority's debt. Idaho State Building Authority's fixed assets of \$121 million, presented in the General Fixed Assets Account Group, are titled in the name of the Authority. The Authority's audit report, dated August 8, 2000, was issued under separate cover for the fiscal year ended June 30, 2000.

Discretely Presented Component Units

These component units are organizations which are legally separate from the State but are financially accountable to the State, or their relationships with the State are such that exclusion would cause the State's financial statements to be misleading or incomplete. The component units are reported in a separate column to emphasize that they are legally separate from the primary government and are governed by separate boards. Following is a brief description of the three discretely presented component units:

The Idaho Housing and Finance Association. The Idaho Housing and Finance Association was created by the Idaho Legislature in *Idaho Code*, Title 67, Chapter 62, for the purpose of building and rehabilitating residential housing for persons of low income. The Governor appoints the Board to fixed overlapping four-year terms. A financial benefit/burden relationship exists between the State and the Association. The Association is entitled to appropriation from the state sales tax account to back certain capital reserve funds for bonds outstanding. After January 1, 1996, the Association was precluded from issuing debt backed by an appropriation from the state sales tax account. As of June 30, 2000, the outstanding bonds entitled to a continuing appropriation from the state sales tax account totaled \$46,695,000. The Association is presented discretely as an enterprise fund. Their audit report, dated August 25, 2000, was issued under separate cover for the year ended June 30, 2000.

Idaho Life and Health Insurance Guaranty Association. The Idaho Life and Health Insurance Guaranty Association is a nonprofit organization authorized by the *Idaho Life and Health Insurance Guaranty Association Act* of 1977, *Idaho Code*, Title 41, Chapter 43. The Act was passed to provide a mechanism for the payment of covered claims under certain insurance policies where the insurer becomes insolvent. The Act applies to direct and supplemental life and disability policies and annuity contracts. All insurance companies, which sell the type of insurance covered under the Act, are required to be members of the Association as a condition of

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2000

their authority to transact insurance business in Idaho. The Board members are selected by member insurers; however, the director of Insurance has veto power and may dismiss management at will. Insurers may offset assessments against their premium taxes to the extent of 20 percent of the amount of such assessment for each of the five calendar years following the year in which the assessment was paid. An allowable offset, or portion thereof, not used in any calendar year cannot be carried over or back to any other year. This imposes a potential direct financial burden on the State. The Association is presented discretely as an enterprise fund. Their audit report, dated March 22, 2000, was issued under separate cover for the year ended December 31, 1999.

Petroleum Clean Water Trust Fund. Idaho Code, Title 41, Chapter 49, created the Petroleum Clean Water Trust Fund to provide pollution liability insurance to eligible owners and operators of petroleum storage tanks. The Fund is subject to the direction and supervision of the manager of the State Insurance Fund. The State approves and may modify the Fund's annual budget and thereby has the ability to impose its will on the Fund. The Fund is presented discretely as an enterprise fund. Their audit report, dated May 19, 2000, was issued under separate cover for the year ended December 31, 1999.

Complete financial statements for each of the individual component units may be obtained from their respective administrative offices, as follows:

Idaho State Building Authority
P.O. Box 2802
Boise, ID 83701

Idaho Life and Health Insurance Guaranty
Association
P.O. Box 7367
Boise, ID 83707

Idaho Housing and Finance Association
P.O. Box 7899
Boise, ID 83707

Petroleum Clean Water Trust Fund
P.O. Box 83720
Boise, ID 83720-0044

Related Organizations

The State Insurance Fund. The State Insurance Fund was created by Idaho Code, Title 72, Chapter 9. Board members are appointed by the Governor, but there is no ability for the State to impose its will on the organization and there is no financial benefit/burden relationship. Therefore, the State Insurance Fund is considered a related organization of the State of Idaho.

C. Constitutional Debt and Liability Limitation

Article VIII, Section 1, of the *Idaho Constitution* was amended in 1998 to specify that the Legislature shall not create any debts or liabilities, except in extreme emergencies, unless authorized by law and then approved by the people at a general election. This section shall not apply to liabilities incurred for ordinary operating expenses, nor shall it apply to debts or liabilities that are repaid by the end of the fiscal year. The debts or liabilities of independent public bodies corporate and politic created by law and which have no power to levy taxes or obligate the general fund of the state are not debts or liabilities of the State of Idaho. The provisions of this section shall not make illegal those types of financial transactions that were legal on or before November 3, 1998.

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2000

D. Fund Accounting

The financial activities of the State are recorded in individual funds and account groups which are used to report the financial position and results of the operations of the State. Fund accounting is used to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

The State records its transactions in four fund categories and two account groups. The fund categories include governmental funds, proprietary funds, fiduciary funds, and college and university funds. Account groups are composed of general fixed assets and general long-term debt.

1. Governmental funds are used to account for the State's general activities, including collection and disbursement of earmarked monies (special revenue funds), and acquisition or construction of general fixed assets. Governmental fund types include the following:

The General Fund is the principal operating fund of the State. It is used to account for resources that are not accounted for in other funds. These resources are used to provide services that include general government, public safety and corrections, agriculture and economic development, natural resources, health, public education (other than those reported in the university funds), human services, and transportation. Consistent with applicable legal requirements, certain resources obtained from federal grants and used to support general governmental activities are accounted for in the General Fund.

Special Revenue Funds are used to account for transactions related to resources obtained from specific revenue sources (other than expendable trusts) that are legally restricted to expenditures for specified purposes. Special revenue funds account for certain federal grant programs, taxes levied with statutorily defined distributions, and other resources restricted as to purpose. Special revenue funds include the financial activities related to Fish and Game, Health and Welfare, Transportation, Federal, Regulatory, Agriculture and Natural Resources, Miscellaneous, and the Idaho State Building Authority.

2. Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful for sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds). Proprietary funds include the following:

Enterprise Funds are established to account for governmental operations that function in a manner similar to private business enterprises where the intent of the State is that the cost of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. Enterprise funds include Correctional Industries, Liquor Dispensary, State Lottery, and Loan Fund.

Internal Service Funds are used to account for a variety of independent operations that render services and/or provide goods to other state agencies or governmental units on a cost-

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2000

reimbursement basis. Internal service funds include the financial activities of General Services, Data Processing Services, Group Insurance, and Risk Management.

3. Fiduciary funds account for assets held by the State in a trust or agency capacity. Fiduciary fund types include the following:

The Expendable Trust Fund accounts for assets held by the State in a trustee capacity. Principal and income may be expended in the course of designated operations. The only expendable trust fund for the State is Unemployment Compensation.

The Investment Trust Fund is used to account for the investments related to external participants in the Joint Exercise of Powers Trust Fund.

Nonexpendable Trust Funds account for the transactions, assets, liabilities, and fund equity of the State Endowment Funds. The Endowment Funds were created from federal *Enabling Act* land grants and the sale of such lands. Endowment Fund properties may be exchanged for other assets. The fund's principal is nonexpendable. Earnings on the principal are used to support education, mental health, corrections, and public buildings.

Pension Trust Funds account for transactions, assets, liabilities, and net assets available for plan benefits of the State's retirement systems.

Agency Funds account for various taxes, deposits, and property collected or held by the State, acting in a custodial capacity, for distribution to other governmental units or designated beneficiaries.

4. College and university funds account for the financial position and operations of the State's public colleges and universities. Accordingly, college and university funds are an aggregation of the following funds:

Current Funds are used primarily to account for amounts which are expended in performing the primary and support objectives of the colleges and universities, e.g., instruction, research, public service, academic support, libraries, student services, institutional support, operations and maintenance of plant, scholarships and fellowships, and auxiliary activities. Funds included in this classification consist of the following:

Unrestricted Funds are used to account for transactions related to the educational and general operations of the colleges and universities. These funds may be used at the discretion of the governing board or their designee to meet current expenditures for any purpose.

Auxiliary Enterprise Funds are used to account for transactions of substantially self-supporting activities that primarily provide services to students, faculty, and staff. Auxiliary enterprises include, but are not limited to, student housing, food services, bookstore, and intercollegiate athletics.

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2000

Restricted Funds are used to account for current funds expended for operating purposes but restricted by donors or other outside agencies as to the specific purpose for which they may be used. Revenues of the restricted funds are reported in the Statement of Current Funds Revenues, Expenditures, and Other Changes only to the extent they are expended for current operating purposes. The excess or deficiency of receipts over expenditures is included as an addition or deduction directly to fund balances during the year.

Student Loan Funds account for transactions of related resources obtained and used for loans to students.

Endowment and Similar Funds account for resources held by the institutions that must be administered in accordance with trust agreements restricting the use of the principal. Quasi-endowment funds have been established for the same purposes as the endowment funds; however, any portion of such funds can be expended.

Plant Funds are used to account for the transactions relating to investment in college and university properties. Plant funds include (1) Unexpended Plant Funds, (2) Renewal and Replacement Funds, (3) Retirement of Indebtedness Funds, and (4) Net Investment in Plant Funds. The Unexpended Plant Funds are comprised of amounts which have been appropriated or designated for land, improvements, buildings, and equipment. The Renewal and Replacement Funds are comprised of amounts provided for renewal and replacement of certain properties. The Retirement of Indebtedness Funds represent bond sinking funds used to provide for payment of principal and interest pursuant to terms of bond indentures. Net Investment in Plant Funds represents the accumulated cost of property, buildings, and equipment over related liabilities.

Agency Funds account for amounts held in custody for students, institution-related organizations, and others.

5. Account groups consist of the following:

The General Fixed Assets Account Group is used to account for land, buildings and improvements, construction in progress, improvements other than buildings, machinery and equipment, and capital leases of the governmental fund types. Fixed assets of the proprietary fund types, nonexpendable trust funds, pension trust funds, and colleges and universities are accounted for separately in their respective funds.

The General Long-Term Debt Account Group accounts for the State's unmatured long-term obligations related to capital lease obligations; compensated absences; and notes, bonds, and contracts payable. Long-term obligations of the proprietary fund types, nonexpendable trust funds, pension trust funds, and the college and university funds are accounted for in their respective funds.

E. Measurement Focus and Basis of Accounting

Accounting and financial reporting treatments applied to funds are described as follows:

**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2000**

All governmental funds and the expendable trust fund are accounted for using a flow of current financial resources measurement focus. With this measurement focus, generally only current assets and current liabilities are included on the balance sheet. Operating statements of these funds present increases in spendable resources as revenues and other financing sources and decreases in spendable financial resources as expenditures and other financing uses.

All governmental funds, the expendable trust fund, and agency funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when measurable and available to finance operations of the current fiscal year, and revenues related to claims and judgments are recognized when a legally enforceable claim exists and the resources are available. Available means collected in the current year or soon enough after year end to liquidate liabilities existing at the end of the year. Significant revenue sources, which are susceptible to accrual, include sales taxes, individual and corporate income taxes, penalties, and federal grants. Licenses, fees, permits, and other miscellaneous revenues, which are derived from an underlying transaction, are recognized when received since they normally are measurable only at that time. Expenditures are recorded when the fund liabilities are incurred.

Proprietary funds, in accordance with GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, are required to apply all applicable GASB pronouncements, as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements: Statements and Interpretations of the Financial Accounting Standards Board (FASB), Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARBs) of the Committee on Accounting Procedures. In addition, a proprietary activity may apply all FASB Statements and Interpretations issued after November 30, 1989, except those that conflict with or contradict GASB pronouncements. The State has elected not to follow FASB pronouncements issued after November 30, 1989, for proprietary funds.

All proprietary funds, nonexpendable trust funds, the investment trust fund, and pension trust funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. This also applies to the three discretely presented component units, which are accounted for as proprietary activities.

All proprietary funds, nonexpendable trust funds, the investment trust fund, pension trust funds, and the three discretely presented component units use the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized at the time liabilities are incurred. Fund equity is segregated into Contributed Capital and Retained Earnings for proprietary funds and Fund Balances for nonexpendable trust, investment trust, and pension trust funds.

The college and university funds are reported using the accrual basis of accounting with the following exceptions: depreciation expenses related to plant fund assets are not recorded and revenues and expenditures of summer sessions are reported within the fiscal year in which the total summer sessions program is predominantly conducted.

**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2000**

F. Budgetary Process

By November of each year, all agencies of the State submit requests for appropriations to the Division of Financial Management in the Governor's Office so an Executive Budget may be prepared for the upcoming legislative session. The budget is generally prepared by agency, fund, program, and object. Legal level of budgetary control is usually maintained at the fund level, except as described below. The budget presentation includes information on the past year, current year estimates, and requested appropriations for the next fiscal year.

In January and February, the Governor's proposed budget recommendations are presented to the Legislature for review, change, and preparation of the annual appropriation acts for the various agencies. Appropriated funds include the General Fund, the special revenue funds, the internal service funds, the enterprise funds, the pension plans, and the college and universities' current and endowment funds. The appropriated funds are either appropriated annually or on a continuous basis. For those funds appropriated on a continuous basis, appropriation equals expenditures. Budgets are adopted in accordance with *Idaho Code*, Title 67, Chapters 35 and 36. Both houses of the Legislature must pass the appropriation acts by a simple majority vote. The appropriation acts become the State's authorized operating budget upon the Governor's signature, or if allowed, become law without the Governor's signature.

Once the budget has been adopted, limitations exist regarding the extent to which management may make modifications (management includes the Division of Financial Management and the Board of Examiners). At no time, without legislative authority, may an appropriation be transferred from one fund to another. However, with the appropriate approval, the following adjustments may be made:

Idaho Code, Section 67-3511(1), allows agencies to transfer spending authority between objects within a fund and program, with the exception of personnel costs. Appropriation for personnel costs may be transferred to other objects, but appropriation for other costs may not be transferred to personnel. Appropriations for capital outlay may not be used for any other purpose, per *Idaho Code*, Section 67-3511(3); however, appropriations for other objects may be transferred to capital outlay. The Board of Examiners must approve object transfers.

Idaho Code, Section 67-3511(2), allows agencies to transfer spending authority from one program to another within an agency, provided the transfer is not more than 10 percent cumulative change from the appropriated amount for any program affected by the transfer. The Division of Financial Management and the Board of Examiners must approve these transfers. Transfers above 10 percent cumulative change must be approved by the legislative appropriation process.

Should any change occur that is not within the above described limitations, legal compliance is not achieved.

The State utilizes encumbrance accounting for budgetary control purposes. Obligations incurred for goods or services that have not been received or rendered may be recorded to reserve that portion of the applicable fund balance.

The State uses cash basis records as the basis for the preparation of the State's legally adopted annual budget or legal basis, even though encumbrances are allowed for budgetary control purposes. The legal basis emphasizes accountability and the budgetary control of appropriations. The State issues a separate

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2000

Legal Basis Financial Report which demonstrates legal compliance with the budget. A copy of this report may be obtained by contacting the Office of the State Controller, P.O. Box 83720, Boise, Idaho, 83720-0011.

The seven district health departments in the State are supervised by boards that are appointed by the County Commissioners of the counties served. They function as separate legal entities and are fiscally independent. Therefore, they are not included in the State's reporting entity either as part of the primary government or as component units. Although they are not financially dependent upon the State, the Legislature appropriates funds for the district health departments. For that reason, they are included in the budgetary Legal Basis Financial Report. Below is the reconciliation from the Legal Basis Financial Report, Summary Schedule of Current Year Appropriations and Expenditures Including Prior Year Encumbrances by Fund Type, by Program–Budgetary Basis, to the Combined Statement of Revenues, Expenditures, and Changes in Fund Balance–Budget and Actual (Budgetary Basis)–General Fund and Special Revenue Funds (included in this report) for transfers made from the General Fund to the district health departments:

	Total	
	Adjusted Budget	Actual
General Fund Expenditures (Legal Basis)	\$2,014,926,177	\$1,858,506,094
Transfers to District Health Departments	8,789,500	8,789,500
General Fund Expenditures (CAFR)	<u>\$2,023,715,677</u>	<u>\$1,867,295,594</u>

As shown in the Legal Basis Financial Report, revenues are generally recognized when cash is received. Expenditures are recorded when the related cash disbursement occurs. Encumbrances are not recognized as expenditures but reduce available spending authority.

Throughout *Idaho Code*, the Legislature has established continuous or perpetual appropriations for certain funds and programs. No annual amount of appropriation is determined during the legislative session. Expenditures are allowed to the extent they are made with available cash.

As part of the budgetary process, agencies may request additional (positive supplemental) appropriations for the current year, which may be granted under the authority of the Legislature. If it is anticipated expenditures may exceed available cash, *Idaho Code*, Section 67-3512, provides authorization to reduce a portion of the General Fund appropriation by the State Board of Examiners (upon investigation and report by the Division of Financial Management) or by the Legislature. Furthermore, *Idaho Code*, Section 67-3512A, provides for a temporary reduction of spending authority by Executive Order of the Governor. When this occurs, it is recorded in the accounting system as a negative supplemental appropriation. See Note 2 for a Supplemental Appropriations schedule.

At fiscal year end, unexpended appropriation balances normally revert to unreserved fund equity balances and are available for future appropriations. However, they can also be reappropriated as part of the spending authority for the future year or they can be carried forward to subsequent years as outstanding encumbrances, with the approval of the Division of Financial Management.

Revenues are not budgeted for any funds. For financial reporting purposes, the budget columns for revenues on the Combined Statement of Revenues, Expenditures, and Changes in Fund Balance–Budget and Actual are reflected as being equal to actual revenues for all revenue categories.

**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2000**

G. Assets, Liabilities, and Other Debts/Credits

Cash Equity with Treasurer

Cash Equity with Treasurer represents each fund's interest in an internal investment pool maintained by the State Treasurer. Cash balances of most state funds are pooled and invested by the State Treasurer. Interest earned on pooled cash is allocated to the internal service funds, the expendable trust fund, and certain special revenue funds when so directed by law. All earnings not otherwise allocated are General Fund revenue. Collateral, as further discussed in Note 3, is pledged by the various banks and securities dealers to secure state funds. As an exception to the above policy, certain organizations within the State's reporting entity have independent powers to manage and invest their own cash.

Cash and Cash Equivalents

Cash and Cash Equivalents consist of bank accounts, petty cash, and short-term investments. Cash equivalents are generally considered short-term, highly liquid investments with a maturity of three months or less from the purchase date.

Investments

The State Treasurer handles investments of state funds and funds of other qualified entities within the State, in accordance with *Idaho Code*, Title 67, Chapter 12. Allowed investments include bonds, treasury bills, interest bearing notes, other obligations of the United States, obligations for which the full faith and credit of the United States are pledged for the payment of principal and interest, general obligation or revenue bonds of the State, or any county, city, or metropolitan water district, municipal utility district or school district of this state or of the institutions of higher education of this state, notes, bonds, debentures, or other similar obligations issued by the farm credit system, bonds, debentures and other obligations of any federal home loan bank board or the federal national mortgage association, and any other obligations issued or guaranteed by agencies or instrumentalities of the government of the State of Idaho or of the United States; money market funds whose portfolios consist of any allowed investment specified in *Idaho Code* Section 67-1210; funds of any public agency invested pursuant to joint exercise of powers agreements; and bonds, debentures or notes of any corporation organized, controlled and operating within the United States which have, at the time of their purchase, an A rating or higher by a commonly known rating service; funds of any prime banker's acceptances and prime commercial paper, sales and repurchase of call options and securities lending agreements, registered warrants, tax anticipation bonds and notes, income and revenue anticipation bonds and notes, time deposits, share and savings accounts within the State of Idaho, public corporation notes, bonds, debentures, and repurchase agreements.

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, the State reports certain investments at fair value rather than at cost and the external portion of the State's external investment pool is reported in an investment trust fund at fair value.

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2000

The Public Employee Retirement System of Idaho (PERSI) is permitted to make investments in accordance with the *Idaho Uniform Prudent Investor Act*, Sections 68-501 through 68-514 of the *Idaho Code*. PERSI invests in domestic equities, international equities (including international hedges), fixed income investments, real estate and real estate investment trusts, mortgages, and certain other short-term investments. These investments are recorded at fair value.

Certain other entities are also responsible for their own investments.

Accounts Receivable, Net

Accounts receivable in the general fund primarily consist of sales and income taxes. Special revenue fund receivables consist primarily of public assistance in Health and Welfare and gas taxes in Transportation. Fiduciary fund receivables consist primarily of unemployment taxes, timber sales, and contributions receivable in the pension trust funds. Proprietary fund receivables occur as part of the ordinary course of business. The college and university fund receivables include money due for tuition, fees, loans, and accrued interest income. See Note 6 for an Accounts Receivable schedule.

Due From/To Other Funds

During the course of operations, numerous transactions occur between individual funds within the State for goods provided or services rendered. These receivables and payables are classified as Due From Other Funds and Due To Other Funds, respectively, on the balance sheet. With the exception of intrafund operating transfers, no eliminating entries have been made for transactions occurring between funds. See Note 7 for a Due From/To Other Funds schedule.

Due From Other Entities

The amounts reflected as Due From Other Entities are comprised mainly of federal grant revenues receivable.

Inventory

Inventory consists of materials and supplies which will be consumed within a year. Governmental and proprietary fund type inventories of supplies and materials are stated at cost, which approximates market, generally using the first-in, first-out method. The fund balances of governmental fund types are reserved for inventories to indicate that these accounts do not represent expendable available resources.

Deferred Bond Financing Costs

Deferred Bond Financing Costs consist of the costs incurred related to bond issuance. These costs are capitalized and amortized over the term of the bonds using the straight-line method.

Notes/Mortgages Receivable, Net

Notes/Mortgages Receivable consist of long-term receivables.

**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2000**

Grand Prizes Receivable/Payable

Grand Prizes Receivable/Payable consist of the annuities purchased to settle State Lottery grand prize obligations. See Note 15 for a schedule of Grand Prize Obligations.

Other Assets

Other Assets include amounts collectible for investments sold, prepaid expenses, advances to subgrantees, interest receivable, assets in liquidation, non-cash assets, and other miscellaneous items.

Prepaid expenses represent amounts paid in the current period for goods or services which will benefit future periods. Prepaid expenses include rent, insurance, postage, and telephone charges. Prepaid expenses for the fiduciary fund types relate to warrants issued for retirement benefits prior to the due date, so that beneficiaries will receive payment on the due date.

Fixed Assets, Net

Fixed Assets include land, building and improvements, improvements other than buildings, book volumes and collections, machinery and equipment, furniture, vehicles, construction in progress, assets under capital lease, and depreciation, when applicable.

Fixed Assets used in governmental fund type operations are recorded as expenditures in the governmental funds and the related assets are recorded in the General Fixed Assets Account Group. Assets in the General Fixed Assets Account Group are not depreciated.

Fixed Assets held in the proprietary and similar trust fund types are valued in the same manner as those held in the General Fixed Assets Account Group and are depreciated on a straight-line basis over their estimated useful lives.

A more detailed description and schedules reflecting the changes in the State's general fixed assets and the proprietary fixed assets by function and activity, as well as by class and source, can be found in Note 8.

Amount Available for Debt Service

Debt service transactions and related cash balances are reported in the Special Revenue funds with a reservation of fund balance for debt service related to the Idaho Building Authority.

Amount to be Provided for Long-Term Debt

Amount to be Provided for Long-Term Debt is the amount to be provided for repayment of general long-term debt.

Amount to be Provided for Capital Leases

Amount to be Provided for Capital Leases is the present value of the minimum lease payments and is part of the General Long-Term Debt Account Group.

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2000

Accounts Payable and Other Liabilities

Accounts Payable and Other Liabilities consists of accrued accounts payable, amounts payable for investments purchased, taxes payable, outstanding checks and warrants, contingent liabilities, unclaimed property, and other accrued liabilities. Accounts payable represents amounts due for goods or services received but not paid for at June 30, 2000.

Taxes payable represent the amounts deducted from employees' salaries and those amounts contributed by the State for social security, federal taxes, and state taxes not yet paid. Also included are sales or other taxes collected by state agencies but not remitted to the State Tax Commission or to other states.

Payroll and Compensated Absences Payable

Payroll and Compensated Absences Payable includes accrued payroll payable, vacation and compensatory time earned but not paid, and sick leave balances to pay health insurance benefits for retired employees. Accrued payroll payable includes salaries and benefits earned but not paid as of the fiscal year end.

Employees earn vacation based on hours worked and compensatory time based on hours worked in excess of forty hours per week. Upon termination of employment, an employee is paid for unused vacation time and earned administrative leave. All employees covered by the Fair Labor Standards Act are paid compensatory balances at termination.

Employees earn sick leave hours based on hours worked. Sick leave hours are expensed when used. Upon termination, employees are not paid for unused sick leave. However, upon retirement, 50 percent of an employee's unused sick leave value (not to exceed 600 hours) is used by the Public Employee Retirement System of Idaho to purchase health insurance for the retiree. As explained in Note 10, the State funds a portion of its sick leave compensated absences liability and the funded portion is shown in the General Fund.

Compensated absence liabilities related to governmental funds are recorded in both governmental funds and the General Long-Term Debt Account Group. The portion of the liability expected to be funded by current available resources is recognized in the governmental fund. The portion of the liability that is not expected to be funded by current available resources is recognized in the General Long-Term Debt Account Group. For all other fund types, all portions of the compensated absence liability other than sick leave are recorded as individual fund liabilities.

As of June 30, 2000, the total value of vacation and compensatory time accrued by employees in the governmental funds and the General Long-Term Debt Account Group was \$9,888,393 and \$30,289,085, respectively. The funded sick leave liability, recorded in the General Fund, is \$66,678,627.

Deposits

In the course of normal operations, a fund may hold cash or other assets of an individual or entity as a deposit until certain conditions of an agreement are met, at which time the asset is returned to the owner. Occasionally, the owner will default on the conditions and the asset held as a deposit becomes the property of the State and is recorded as revenue at that time.

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2000

Due to Other Entities

Due to Other Entities primarily represents amounts collected from the federal government but not disbursed to subgrantee governmental units.

Deferred Revenue

Deferred revenues arise when potential revenue does not meet the “available” criterion for recognition in the current period and when resources are received by the government before it has a legal claim to them, e.g., when grant monies are received prior to incurring qualifying expenditures. In subsequent periods, when the revenue recognition criterion is met or when the government has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

Notes/Bonds/Contracts Payable

Notes/Bonds/Contracts Payable consist of notes and bonds issued for the construction or acquisition of facilities, for funding various projects, for contracts payable, and for contract retentions that are a percentage of payments owed to the contractors that are withheld until the construction projects reach a certain stage of completion. See Note 14 for further information on Notes/Bonds/Contracts Payable.

Policy Claim Liabilities

Policy Claim Liabilities relate to the Petroleum Clean Water Trust Fund, the Risk Management Fund, and the Group Insurance Fund. A liability for a claim is established if information indicates it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated based on the estimated ultimate cost of settling the claim, considering the effects of inflation, recent claim settlement trends, including frequency and amount of pay-outs, and other economic and social factors. Claim liabilities include any specific, incremental claim adjustment expense. Any material estimated recoveries are deducted from the liability for unpaid claims.

Capital Leases

Capital Leases are lease contracts entered into by the State that are in substance a purchase. Lease commitments are discussed further in Note 13.

H. Fund Equity

Contributed capital is recorded in the internal service funds, which have received fixed assets and cash from donations and other funds.

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2000

Reservations of fund balances and retained earnings identify assets that are not available for subsequent year appropriations or are legally segregated for a specific future use. See Note 17 for a Fund Equity schedule.

I. Total (Memorandum Only)

Total columns on the financial statements are captioned "Total-Memorandum Only" to indicate they are presented only to facilitate financial analysis. The total column represents an aggregation of the combined financial statement fund types. These amounts are not comparable to a consolidation and do not represent the total resources available for use by the State. Interfund eliminations have not been made in the aggregation of this data.

NOTE 2. SUPPLEMENTAL APPROPRIATIONS

Below is the Supplemental Appropriations schedule for the year ending June 30, 2000. Supplemental Appropriations include additional appropriations for the current fiscal year and appropriations for the following fiscal year that can be used early due to an emergency.

Supplemental Appropriations

General Fund	\$37,802,300
Special Revenue Funds	
Fish and Game	315,000
Health and Welfare	36,657,000
Federal	90,600
Regulatory	200,100
Agriculture and Natural Resources	4,000,000
Miscellaneous	716,600
Internal Service Fund	
General Services	30,800
Pension Funds	146,200
Total	<u>\$79,958,600</u>

NOTE 3. CASH, CASH EQUIVALENTS, AND CASH EQUITY WITH TREASURER

Authority for cash and investments: The State maintains a cash and investment pool that is available for use by all funds. The pool includes cash and cash equivalents. The State Treasurer is the investment officer for the monies on deposit in the State Treasury. Investment policies of the State Treasurer are governed by *Idaho Code*, Sections 67-1210 and 67-1210A. Each fund's portion of this pool is summarized by fund type on the Combined Balance Sheet in the Cash Equity with Treasurer account.

The State Treasurer maintains an investment pool for local governments. See Note 5 for more information on the External Investment Pool.

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2000

Deposits: Cash and Cash Equivalents are deposited with eight financial institutions and are carried at cost. *Idaho Code* does not require collateralization of deposits. The State Treasurer controls the receipt and disbursement of agencies cash except for the Endowment Funds, the Petroleum Clean Water Trust Fund, the State Lottery, the Public Employees Retirement System of Idaho (PERSI), the Potato Commission, the Dairy Products Commission, the Wheat Commission, the State Bar, the Idaho State Building Authority, the Idaho Housing and Finance Association, Idaho Life and Health Guaranty Association and some of the college and university funds. The following summary presents the amount of primary government and discretely presented component units' deposits, as of June 30, 2000, by the following categories:

1. Deposits that are insured or collateralized with securities held by the State or its agent in the State's name;
2. Deposits that are collateralized with securities held by the pledging financial institution's trust department or agent in the State's name; or
3. Deposits that are not collateralized or are collateralized by the pledging financial institution or the pledging institution's trust department or agent, but not in the State's name.

Primary Government (in thousands)

	Category 1	Category 2	Category 3	Total
Cash, Cash Equivalents, and Cash Equity with Treasurer	\$597,678	\$110,767	\$6,344	\$714,789

Discretely Presented Component Units (in thousands)

	Category 1	Category 2	Category 3	Total
Cash, Cash Equivalents, and Cash Equity with Treasurer	\$34,156	\$165		\$34,321

Reconciliation of Primary Government Risk Categorized Cash to Cash per Financial Statements (in thousands)

Cash, Cash Equivalents, and Cash Equity with Treasurer per Risk Categorization	\$714,789
Less: Outstanding Warrants	(58,148)
Plus: Timing Difference	3,137
Idle Pool Cash included with Investments for Note Disclosure Purposes	692,230
Cash, Cash Equivalents, and Cash Equity with Treasurer per Financial Statements	<u>\$1,352,008</u>

**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2000**

NOTE 4. INVESTMENTS

Investments: The State's investments are classified in three categories of credit risk to give an indication of the level of risk assumed by the State as of the year end. The three categories of credit risk are:

1. Investments that are insured or registered or for which the securities are held by the State or its agent in the State's name;
2. Uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the State's name; or
3. Uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the State's name.

Some investments are made directly by an agency rather than by the State Treasurer. Only a few agencies are authorized to make such investments and then only for specific programs.

All investments are valued in accordance with GASB 31, as described in Note 1. The following summaries identify the level of credit risk assumed by the State and the total fair value of state investments at fiscal year end:

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2000

Primary Government (in thousands)

<u>Investments</u>	Credit Risk Categories			Fair Value
	1	2	3	
Certificates of Deposit	\$2,412	\$2,982		\$5,394
US Government Obligations	730,390	21,350	\$1,688	753,428
US Agency Obligations	490,939		140,529	631,468
Marketable Securities	5,138,115	223,591	2,973	5,364,679
Corporate Bonds	2,050,181	60,916	11,756	2,122,853
Other	202,647			202,647
Risk Classified Investments	<u>\$8,614,684</u>	<u>\$308,839</u>	<u>\$156,946</u>	<u>9,080,469</u>
<u>Investments Not Subject to Classification Due to Their Nature</u>				
Pooled Short Term Investment Fund				280,680
Idaho Commercial Mortgages				222,456
Real Estate				51,016
Private Equity				116,851
Mutual Fund Holdings (401K)				20,901
Index Fund and Fixed Income Fund Holdings in Agency Fund				121,108
Total Non-Classified Investments				<u>813,012</u>
Total Investments				<u>\$9,893,481</u>

Discretely Presented Component Units (in thousands)

<u>Investments</u>	Credit Risk Categories			Fair Value
	1	2	3	
Repurchase Agreements	\$18,793			\$18,793
Government Obligations	198,610			198,610
US Agency Obligations	84,352			84,352
Other	21,668			21,668
Risk Classified Investments	<u>\$323,423</u>			<u>323,423</u>
<u>Investments Not Subject to Classification Due to Their Nature</u>				
Investment Agreements				102,200
Interest Receivable				3,210
Total Investments				<u>\$428,833</u>

Reconciliation of Primary Government Risk Categorized Investments to Investments per Financial Statements (in thousands)

Investments per Risk Categorization	\$9,893,481
Less: Idle Pool Cash Included with Investments for Note Disclosure Purposes	(692,230)
Investments per Financial Statements	<u>\$9,201,251</u>

Repurchase Agreements: Repurchase agreements are purchases of securities with simultaneous agreements to resell those same securities in the future at the same price plus a contract rate of interest. These investments are made throughout the year for short periods of time.

Securities Lending Agreements: *Idaho Code*, Section 67-1210, authorizes the State Treasurer to invest excess funds, other than endowment funds. The State Treasurer participates in securities lending programs with both the External Investment Pool and Idle Pool funds to broker-dealers and other entities

**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2000**

(borrowers) for collateral that will be returned for the same securities in the future. The Treasurer's securities custodian manages the securities lending program. During the year, the custodian loaned US government securities, equity securities, and corporate bonds or notes for collateral for cash and government securities. The investments are collateralized at 102 percent of the market and restated to the market value on a daily basis. There are no restrictions on the amount of loans that can be made. Either the State or the borrower can cancel all securities loaned upon demand.

The cash collateral received is invested by the custodian and held in a separate account in the name of the State Treasurer. Cash is only reinvested in repurchase agreements with terms equally matching the actual securities lent. The Treasurer is indemnified for loss due to default on the part of the borrowers and failure to maintain the daily mark-to-market on the loans. At year-end, the State Treasurer had no credit risk exposure to borrowers because the collateral exceeded the amount borrowed. There were no loaned securities as of June 30, 2000.

In accordance with *Idaho Code*, Section 57-722, the Endowment Board engages in securities lending activities, whereby certain securities (U.S. government securities and government issues) are loaned to specific entities. The securities borrower will pay a stated premium to the Endowment Board that will be remitted monthly. At the time the securities are loaned, the Endowment Board receives cash or other collateral. Securities lending collateral is comprised of certain U.S. government issued or U.S. government agency securities and is received valued at the required margin of 102 percent of the market value of the securities loaned. The securities lending agreement requires daily monitoring of the market value of the securities loaned and collateral received with additional collateral obtained as necessary to meet margin requirements.

The Endowment Board is indemnified for fraudulent or negligent acts performed by the trustee (Key Trust Company National Association and the Bank of New York Corporation), and should loaned securities not be returned as specified, the Trustees would be required to make the Endowment Board whole. As such, credit risk exposure is limited under these transactions. The carrying amount and fair value of the loaned securities from the Public School Endowment Fund were \$178,515,000 and \$143,286,000 respectively, as of June 30, 2000. The carrying amount and fair value of the loaned securities from the Pooled Endowment Fund were \$105,815,071 and \$93,117,459, respectively, as of June 30, 2000. The carrying amount and fair value of the loaned securities from the Capital Permanent Endowment Fund were \$498,438 and \$501,267, respectively, as of June 30, 2000.

Other Investing Activities: The Public Employee Retirement System (the System) purchases forward contracts for certain international investments and United States agency-guaranteed collateralized mortgage obligations for the purpose of enhancing liquidity, reducing transaction or other costs, or partially hedging an existing exposure. The System does not incur any costs for forward contracts until the settlement date. Future potential obligations for the forward contracts are not recognized until the contract expiration date.

The System has entered into forward foreign exchange contracts to purchase or sell currency at various dates in the future at a specific price. The value of foreign currency to be purchased or sold fluctuates continuously. As such, it is possible that the foreign currency market price at the specified time to purchase or sell may be lower than the price at which the System is committed to buy or sell. The System could sell the forward contract at a loss, or if it were to continue to hold the contract, the System may make a termination payment to the counterparty to cancel its obligation under the contract and then buy the currency on the open market. The System is also exposed to the failure of the counterparty to fulfill the contract. The terms of the contract include provisions for recovering the cost in excess of the

**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2000**

guaranteed price from the counterparty should the System have to purchase currency on the open market. Unrealized gains of \$551,691 at June 30, 2000, were recognized, which represents the gain that would occur from executing forward foreign exchange contracts at June 30, 2000.

The Endowment Board engages in sales (writing) of call options, in accordance with investment laws, to increase yield for certain securities that are owned. These options are usually outstanding for periods of one week to one month and the Endowment Board receives cash for the sale of the call. During the time the options are outstanding, the Endowment Board is exposed to market risk, or the risk of changes in interest rates. As interest rates decrease and bond prices increase to or above the exercise price as specified in the option, the security could be called, and the Endowment Board would be forced to sell the security at the call price, giving up the potential yield on the security. If the bond is called, and the Endowment Board does not want to lose the security, they will buy back the call option at a loss. For the year ended June 30, 2000, the Endowment Board recognized no gain on the sale of covered call options. At year-end the Endowment Board had no outstanding call options.

The Endowment Board also invests in collateralized mortgage obligations. These securities are based on cash flows from principal and interest payments on underlying mortgages. Therefore, they are sensitive to prepayments by mortgagees, which may result from a decline in interest rates.

Boise State University invests in interest-only U. S. Treasury strips (a derivative) to maximize yields. These investments are based on cash flows from interest payments on underlying U.S. Treasury Securities. The underlying securities are guaranteed by the U.S. Government and do not present the same level of risk as do other forms of derivatives.

NOTE 5. EXTERNAL INVESTMENT POOL

Overview of the State Treasurer's Authority

Following *Idaho Code*, Section 67-2328, authorizing the Joint Exercise of Powers Trust Fund, the elected State Treasurer sponsors an investment pool that other Idaho governmental entities (cities, counties, school districts, etc.) can voluntarily place excess funds in to earn higher interest rates. Joint Exercise of Powers Trust Fund is also referred to as the Local Government Investment Pool. The State Treasurer may also invest State money in the Joint Exercise of Powers Trust Fund. The Treasurer's Office must operate and invest the funds according to its state investment policy for the benefit of the participants. The Pool is not registered with the Securities and Exchange Commission or any other regulatory body.

Investments are converted to fair value at June 30 in accordance with GASB Statement No. 31. Fair value is defined as the market value (bid) if the investment is traded on a recognized exchange or the value of the investment in a current transaction with a willing buyer other than a forced liquidation sale. Investments were valued through a quoted market price. The Pool operates and reports to participants on an amortized cost basis. Specifically, the Pool distributes earnings to the participants monthly based on their relative participation during the month. Distributed earnings are calculated based on (1) realized gains and losses calculated on an amortized cost basis; (2) interest income; (3) amortization of discounts and premiums on a straight-line basis; and (4) administrative expenses. This method differs from the fair value method used to value investments in these financial statements because the amortized cost method is not designed to distribute to participants all unrealized gains and losses in the fair values of the Pool's investments. Thus the participant's share of the Pool is not based on fair value. The Treasurer does not provide any legally binding guarantees to support the value of shares to the participants. No separate

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2000

reports of the external investment pool have been issued. The assets in these notes will not agree to the asset amounts included in the combining financial statements for the Investment Trust Fund because GASB Statement No. 31 requires that only the external portion of the investment pool assets be reported in that fund. The internal portion of assets must be reported in the applicable individual fund or component units.

Summary of Fair Value
(in thousands)

Security	Amortized Cost	Fair Value	Purchase Yield	Maturity
Commercial Paper*	\$94,429	\$94,429	6.644% - 7.461%	07/00
Corporate Bonds	23,803	23,851	6.004% - 6.948%	10/00 - 05/01
Repurchase Agreements*	11,468	11,468	6.550%	07/00
United States Treasury Notes	69,762	69,811	4.920% - 6.229%	8/00 - 11/00
Federal Farm Credit Bank	33,451	33,432	5.920% - 6.340%	8/00 - 11/00
Federal Home Loan Bank	100,009	98,552	5.250% - 6.793%	7/00 - 12/03
Federal Home Loan Mortgage Corp.	63,544	62,067	5.055% - 6.010%	2/01 - 01/03
Federal National Mortgage	215,562	212,070	4.904% - 6.680%	7/00 - 02/04
Certificates of Deposit*	6,100	6,100	4.956% - 6.680%	7/00 - 10/01
Purchase Accrued Interest*	250	250	0.000%	7/00 - 10/00
Total	<u>\$618,378</u>	<u>\$612,030</u>		

*Represents Cash and Cash Equivalents

All investments for the Joint Exercise of Powers Trust Fund are entirely insured or collateralized with securities held by the Fund or by its agent in the Fund's name. Deposits are not insured or otherwise guaranteed by the State of Idaho.

The administrative costs associated with the Joint Exercise of Powers are paid to the State Treasurer's Office on a monthly basis by a transfer from the Joint Exercise of Powers to the State Treasurer's operating fund.

Calculation of Change in Fair Value

The State uses the aggregate method for determining the increase (decrease) in fair value of the investments in the Joint Exercise of Powers Trust Fund. Following is a schedule showing the decrease in the fair value of investments during fiscal year 2000 (in thousands):

Fair Value at June 30, 2000	\$612,030
Add: Proceeds of Investments Sold in FY 00	8,282,434
Less: Cost of Investments Purchased in FY 00	(8,180,327)
Fair Value at June 30, 1999	<u>(715,493)</u>
Change in Fair Value of Investments During FY 00	<u><u>(\$1,356)</u></u>

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2000

The following Joint Exercise of Powers Trust Fund condensed financial statements, inclusive of external and internal participants, for the fiscal year ended June 30, 2000, are as follows:

Joint Exercise of Powers Trust Fund
Statement of Net Assets
June 30, 2000
(in thousands)

Assets	
Investments at Fair Value	\$499,783
Cash and Cash Equivalents	112,247
Interest Receivable to the Pool	8,260
Net Assets Held in Trust for Pool Participants	<u><u>\$620,290</u></u>
Net Assets Consist of:	
External Participant Units Outstanding (\$1.00 par)	\$610,370
Internal Participant Units Outstanding (\$1.00 par)	8,008
Undistributed and Unrealized Gains (Losses)	1,912
Total Participant Units Outstanding (\$1.00 par)	<u>620,290</u>
Net Assets Held in Trust for Pool Participants	<u><u>\$620,290</u></u>
Participant Net Asset Value, Offering Price and Redemption	
Price per Share (\$620,290/618,378)	<u><u>\$1.00</u></u>

Joint Exercise of Powers Trust Fund
Statement of Operations and Changes in Net Assets
June 30, 2000
(in thousands)

Investment Income	
Interest Income	\$40,529
Net Increase (Decrease) in Fair Value of Investments	<u>(1,356)</u>
Total Investment Income	39,173
Expenses	
Administrative Fees	<u>(187)</u>
Net Investment Income (net increase in net assets as a result of operations)	38,986
Distributions to Participants	
Distributions Paid and Payable	(32,378)
Share Transactions at Net Asset Value of \$1.00 per Share	
Purchase of Units	1,394,034
Redemption of Units	<u>(1,499,939)</u>
Net Increase (Decrease) in Net Assets and Shares Resulting From	
Share Transactions	<u>(105,905)</u>
Total Increase (Decrease) in Net Assets	(99,297)
Net Assets Held in Trust for Pool Participants	
Beginning of Period	<u>719,587</u>
End of Period	<u><u>\$620,290</u></u>

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2000

NOTE 6. ACCOUNTS RECEIVABLE

Below is a schedule of Accounts Receivable balances at June 30, 2000:

Accounts Receivable			
Fund	Accounts Receivable	Allowance for Doubtful Accounts	Net Accounts Receivable
General Fund	\$181,204,715	\$0	\$181,204,715
Special Revenue Funds			
Fish and Game	168,042		168,042
Health and Welfare	16,547,116		16,547,116
Transportation	19,847,677	4,856	19,842,821
Federal	55,223		55,223
Regulatory	332,689	11,085	321,604
Agriculture and Natural Resources	2,954,766		2,954,766
Miscellaneous	3,177,927	86,424	3,091,503
Total Special Revenue Funds	43,083,440	102,365	42,981,075
Enterprise Funds			
Correctional Industries	525,934		525,934
Liquor Dispensary	43,908		43,908
State Lottery	622,313		622,313
Total Enterprise Funds	1,192,155	0	1,192,155
Internal Service Funds			
General Services	252,551		252,551
Data Processing Services	1,538		1,538
Risk Management	394,811		394,811
Total Internal Service Funds	648,900	0	648,900
Fiduciary Funds			
Unemployment Compensation	35,096,398	2,861,845	32,234,553
Endowment Fund	5,949,124		5,949,124
Public Employees Retirement System	12,353,425		12,353,425
Firemen's Retirement Fund	524,955		524,955
Judges' Retirement Plan	161,870		161,870
Sick Leave/Insurance Reserve Fund	768,661		768,661
Total Fiduciary Funds	54,854,433	2,861,845	51,992,588
Colleges and Universities	50,204,034	576,731	49,627,303
Total Reporting Entity	\$331,187,677	\$3,540,941	\$327,646,736

NOTE 7. INTERFUND TRANSACTIONS

The State does not eliminate interfund transactions but does make eliminating entries for intrafund operating transfers. Interfund transactions include operating transfers, residual equity transfers, and Due From/To Other Funds.

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2000

A. Operating Transfers and Residual Equity

Operating transfers are legally authorized cash transfers between funds that are receiving revenues to funds in which the resources are to be expended. Transfers from the General Fund are transfers of appropriated or diverted tax revenues.

The following is a schedule of operating transfers:

Operating Transfers

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$103,665,384	\$303,630,858
Special Revenue Funds		
Health and Welfare	280,670,688	7,497,893
Transportation	326,436	16,898,402
Federal	40	112,033
Regulatory		48,625,124
Agriculture and Natural Resources	4,100,946	93,589
Miscellaneous	15,320,267	1,359,348
Enterprise Funds		
Liquor Dispensary		9,295,000
State Lottery		20,600,000
Loan Fund	4,700,000	
Internal Service Funds		
General Services	2,720	755,960
Group Insurance	84,446	2,720
Total Operating Transfers	<u>\$408,870,927</u>	<u>\$408,870,927</u>

Residual equity transfers occur when non-routine transfers of equity are made from one fund to another. During the fiscal year, certain operations of General Services, accounted for as an internal service fund, were discontinued. As a result, fixed assets and accumulated depreciation were transferred to the general fixed asset account group at their net book value of \$216,590.

B. Due From/To Other Funds

Due From/To Other Funds are transactions that occur between individual funds for goods provided or services rendered. The transactions include:

Quasi-external Transactions are charges for services rendered by one fund to another, treated as revenues of the recipient fund and expenditures or expenses of the disbursing fund.

Reimbursements of expenditures or expenses made by one fund for another are recorded as expenditures or expenses in the reimbursing fund and as a reduction of expenditures or expenses in the reimbursement fund.

**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2000**

Following is a schedule of the Due From/To Other Funds balances at June 30, 2000:

Due From/To Other Funds		
Fund	Due From Other Funds	Due To Other Funds
General Fund	\$60,967	\$1,116,774
Special Revenue Funds		
Fish and Game		76,106
Health and Welfare	10,386	1,944,283
Transportation	78,165	305,854
Federal	493,857	414,708
Regulatory	396	132,429
Agriculture and Natural Resources		67,302
Miscellaneous	429,705	68,911
Total Special Revenue Funds	1,012,509	3,009,593
Enterprise Funds		
Correctional Industries	419,322	10,835
Liquor Dispensary		16,157
Loan Fund		412
Total Enterprise Funds	419,322	27,404
Internal Service Funds		
General Services	1,219,633	220,443
Data Processing Services	1,537,222	3,917
Group Insurance		4,089
Risk Management	151,808	19,241
Total Internal Service Funds	2,908,663	247,690
Colleges and Universities	13,305,337	13,305,337
Total Reporting Entity	\$17,706,798	\$17,706,798

NOTE 8. FIXED ASSETS

Fixed assets used in governmental fund type operations are recorded as expenditures in the governmental funds and as assets in the General Fixed Assets Account Group at cost or estimated historical cost, if actual cost is not available. Fixed assets include the purchase price or construction cost plus interest of self-constructed assets. Donated fixed assets are recorded at the estimated fair market value at the date of donation. Assets in the General Fixed Assets Account Group are not depreciated.

Fixed assets held in the proprietary and similar trust fund types are valued in the same manner as those held in the General Fixed Assets Account Group. For all major asset classes, the fixed assets of these funds are depreciated on a straight-line basis over their estimated useful lives.

Buildings and improvements, machinery and equipment, and improvements other than buildings are depreciated using the following schedule:

<u>Assets</u>	<u>Years</u>
Buildings	30-40
Improvements Other Than Buildings	5-40
Machinery, Equipment, and Other	5-30

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2000

Assets with a cost of \$5,000 or greater and a useful life of more than two years are capitalized. Interest incurred during construction is capitalized.

Land is recorded at historical cost or fair market value at date of acquisition. In cases where historical cost is not available, land is valued using comparables indexed forward or backward with the consumer price index (CPI). Donated land is valued at estimated fair value at its donation date. Federal grant land is valued at one dollar per acre.

Public domain general fixed assets or infrastructure, e.g., freeways, bridges, sidewalks and other assets that are immovable and of value only to the State, are not capitalized or reported. The cost of land associated with infrastructure is not included in the financial statements.

The college and university funds account for fixed asset acquisitions at cost. Construction projects are included in the plant fund while the project is being constructed. These funds capitalize interest expenditures during construction but do not record depreciation.

The following schedules present changes in the State's general fixed assets by function and activity, as well as by class and source:

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2000

Schedule of Changes in General Fixed Assets by Function and Activity

<u>Function and Activity</u>	General Fixed Assets June 30, 1999 (as adjusted)	Additions	Deletions	General Fixed Assets June 30, 2000
General Government				
Executive Administration	\$1,058,446	\$212,067	\$14,500	\$1,256,013
Financial Administration	226,385	12,322		238,707
Tax Administration	3,423,584	376,454	302,819	3,497,219
Legal Administration	626,243	273,756	750	899,249
Legislative	591,905	49,701		641,606
Other Internal Operations	25,034,335	476,450	459,020	25,051,765
Public Safety				
Court System	1,525,523	131,476	921,039	735,960
Police Services	29,244,205	2,263,215	1,702,973	29,804,447
Civil Defense	11,780,900	5,552,278	29,920	17,303,258
Adult and Juvenile Corrections	143,826,392	6,548,321	227,149	150,147,564
Economic Development				
Employment and Rehabilitation	21,953,713	1,181,511	547,638	22,587,586
Economic Development	580,080	27,059	17,019	590,120
Business and Professional Regulation	12,311,646	1,316,999	901,813	12,726,832
Natural Resources				
Natural Resources and Recreation Management	182,411,177	9,111,507	2,560,110	188,962,574
Energy Management	14,000			14,000
Environmental Health	1,473,187	197,176		1,670,363
Health				
Physical Health	3,197,412	105,425		3,302,837
Mental Health	19,369,724	932,570	129,985	20,172,309
Medical Assistance	496,662	46,728	44,596	498,794
Institutional and Residential Care	49,509,077	590,305	55,546	50,043,836
Education				
Education Policy Development	57,362	33,265	27,720	62,907
Elementary and Secondary Education	12,198,950	143,963	70,784	12,272,129
Vocational Education	131,283	20,084	25,200	126,167
Cultural Affairs	18,657,420	985,567	332,906	19,310,081
Social Services				
Individual Income Assistance	1,558,343	101,259	78,054	1,581,548
Other Social Services	2,115,626	298,631	161,636	2,252,621
Transportation				
Capital Budget	118,765,020	23,479,590	1,853,246	140,391,364
Highways	92,714,534	13,112,241	8,885,644	96,941,131
Aeronautics	1,655,016	1,528,305	1,105,646	2,077,675
Other Transportation	548,593	14,812	9,525	553,880
Total General Fixed Assets	\$757,056,743	\$69,123,037	\$20,465,238	\$805,714,542

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2000

Schedule of Changes in General Fixed Assets by Class and Source

Class	General Fixed Assets June 30, 1999 (as adjusted)	Additions	Deletions	General Fixed Assets June 30, 2000
Land	\$137,036,528	\$3,422,840	\$74,600	\$140,384,768
Buildings and Improvements	344,309,334	14,845,213	626,078	358,528,469
Construction in Progress	65,635,362	22,949,763	2,660,357	85,924,768
Improvements Other Than Buildings	7,323,798	320,257	42,996	7,601,059
Machinery, Equipment, and Other	197,976,678	27,454,546	17,061,207	208,370,017
Capital Leases	4,775,043	130,418		4,905,461
Total General Fixed Assets	\$757,056,743	\$69,123,037	\$20,465,238	\$805,714,542

Funding Source				
General	221,537,834	28,396,538	3,089,771	246,844,601
Special Revenue	535,518,909	40,726,499	17,375,467	558,869,941
Total General Fixed Assets	\$757,056,743	\$69,123,037	\$20,465,238	\$805,714,542

Schedule of Proprietary, Fiduciary, and Component Unit Fixed Assets

	Primary Government				Component Unit Proprietary
	Enterprise Funds	Internal Service Funds	Trust and Agency	Colleges and Universities	Funds
Land	\$297,943	\$2,075,093	\$2,473,048	\$20,989,256	\$993,428
Buildings and Improvements	1,550,539	3,311,046	5,391,692	581,695,196	5,290,182
Construction in Progress	4,320,749	79,117		31,631,998	
Improvements Other Than Buildings	552,592	14,333			
Machinery, Equipment, and Other	13,400,069	10,640,149	5,064,108	312,613,748	5,953,350
Accumulated Depreciation	(8,429,827)	(9,326,701)	(2,123,389)		(4,743,698)
Capital Leases	2,500,000	54,139		10,025,287	
Total Fixed Assets	\$14,192,065	\$6,847,176	\$10,805,459	\$956,955,485	\$7,493,262

NOTE 9. RETIREMENT PLANS

Summary of Plans

The State maintains a number of different retirement plans. The Public Employee Retirement System of Idaho (PERSI) administers the Public Employee Retirement System of Idaho Plan, the Firemen's Retirement Plan, and the Idaho Super Saver – 401(k) Plan. The Idaho Judicial Department, under the direction of the Idaho Supreme Court, administers the Judges' Retirement Fund. The Idaho State Board

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2000

of Education administers an Optional Retirement Plan for the colleges and universities. The Idaho Department of Labor administers a Closed Retirement Plan for employees of the Idaho Department of Labor hired prior to October 1, 1980. Each of these plans is discussed individually below.

Public Employee Retirement Fund/Policemen's Retirement Fund and Firemen's Retirement Fund

Plan Description

Organization and Purpose

The Public Employee Retirement Fund/Policemen's Retirement Fund (PERSI Plan) and Firemen's Retirement Fund (FRF) are both cost-sharing, multiple-employer defined benefit retirement plans. The Public Employee Retirement System of Idaho (the System) administers both of these plans. A retirement board, appointed by the Governor and confirmed by the State Senate, manages the System, which includes selecting the funding agents and establishing funding policy. Statutes governing the PERSI Plan are *Idaho Code*, Title 59, Chapter 13 and Title 50, Chapter 15. Statutes governing FRF are *Idaho Code*, Title 72, Chapter 14.

Membership

State agencies, school districts, cities, counties, highway districts, water and sewer districts, and other political subdivisions contribute to the PERSI Plan and FRF. All state employees not covered by the other plans described below, who normally work more than twenty hours per week and have been employed by an employer member for more than five consecutive months, are covered by the PERSI Plan. As of June 30, 2000, the number of participating employer units in the PERSI Plan was 638 and actual benefit recipients and members in the PERSI plan were:

Retirees and Beneficiaries/Vested Terminated Employees	28,761
Current Active Employees	<u>60,388</u>
Total	<u>89,149</u>

For FRF, as of June 30, 2000, there were 23 participating employer units, consisting of city fire departments, in PERSI. Total employee membership showed 508 retired members or beneficiaries collecting benefits from the FRF and 129 active members.

The System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to PERSI, P.O. Box 83720, Boise, ID 83720-0078.

Benefits

The benefit structure for both the PERSI Plan and FRF are based on members' years of service, age, and final compensation. In addition, benefits are provided for disability, death, and survivors of eligible members or beneficiaries. Members are eligible for retirement benefits upon attainment of the ages specified for their employment classification or a combination of age plus service. The annual service retirement allowance was 1.917 percent (2.225 percent for police and firefighters) at June 30, 2000, for each month of credited service, of the average monthly salary for the highest consecutive 42 months. Effective June 30, 2000, the rates increased to 2.0 percent (2.3 percent police/firefighters).

The benefit payments for both the PERSI Plan and FRF are calculated using a benefit formula adopted by the Idaho Legislature. The System is required to provide a 1 percent minimum cost of living increase per

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2000

year provided the Consumer Price Index increases 1 percent or more. The Retirement Board has the authority to provide higher cost of living increases to a maximum of the Consumer Price Index movement or 6 percent, whichever is less; however, any amount above the 1 percent minimum is subject to approval by the Idaho Legislature. The cost of living increase for the FRF is based on the increase in the statewide average firefighters' wage.

The FRF covers a closed group of firefighters who were hired before October 1, 1980, and who receive benefits in addition to those provided under the PERSI Plan.

Summary of Significant Accounting Policies

The System's basic financial statements of the pension funds are prepared on the accrual basis of accounting. For the financial statements of the pension funds, employee and employer contributions are recognized as revenues in the period in which employee services are performed, investment income is recognized when earned, and benefit payments, refunds, and other expenses are recorded when incurred. The pension funds are accounted for on a flow of economic resources measurement focus. The PERSI Plan adheres to Statement No. 25 of the Governmental Accounting Standards Board, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*.

The System's investments are presented at fair value. Purchases and sales are recorded at the trade date. Investments held by PERSI and FRF are commingled. The fair value of investments is based on published market prices and quotations from major investment brokers when available. Mortgages have been valued on the basis of their future principal and interest payments discounted at prevailing interest rates for similar instruments. The fair value of real estate investments has been estimated based on independent appraisals. Short-term investments are reported at market value when published market prices and quotations are available or at cost plus accrued interest, which approximate market value.

Funding Policy

Contributions and Vesting

The System's funding policy for the PERSI Plan and FRF, as defined by Idaho law, provides for periodic employer contributions at actuarially determined rates, that expressed as percentages of annual covered payroll, are adequate to accumulate sufficient assets to pay benefits when due. Level percentage of payroll employer contribution rates are determined using the Entry Age Actuarial Cost Method. Under this method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the earnings of the individual between entry age and assumed exit age. The System amortizes the unfunded liability based on a level percentage of payroll. The maximum amortization period permitted under *Idaho Code*, Section 59-1322, is 25 years. The payroll for employees covered by the PERSI and FRF was approximately \$1,794,000,000 and \$32,000,000, respectively.

The State's PERSI Plan contributions required and paid were \$62,369,887, \$59,535,677, and \$58,152,823, for the years ended June 30, 2000, 1999, and 1998, respectively.

Actuarial valuations of the PERSI Plan are performed annually. The last valuation of the PERSI Plan was performed as of July 1, 2000. Actuarial valuations of the FRF are performed biennially. The last FRF valuation was performed as of July 1, 2000.

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2000

Normal cost is 14.74 percent of covered payroll and the amount available to amortize the unfunded actuarial liability is 1.04 percent of covered payroll for the PERSI Plan. There is no normal cost associated with FRF and all contributions to FRF are available to reduce the unfunded actuarial liability.

At November 1, 1997, the Board temporarily reduced contribution rates by an aggregate total of 3 percent. At November 1, 1998, the Board made a 1 percent permanent rate reduction and a 2 percent temporary rate reduction through October 31, 1999. At September 28, 1999, the Board extended the 2 percent temporary rate reduction through October 31, 2000. At July 1, 2000, the Board adopted the existing rates and removed the temporary rate designation. The contribution rates for the year ended June 30, 2000, are as follows:

<u>Employee Group</u>	<u>Employer</u>	<u>Employee</u>
PERSI		
General	9.77%	5.86%
Police and Fire	10.01%	7.21%
ORP Employees of Higher Education:		
Colleges and Universities	3.03%	N/A
Junior Colleges	3.83%	N/A

FRF employer and employee contribution rates for firemen hired before October 1, 1980, are 25.89 percent and 4.24 percent, respectively, in addition to the PERSI Plan Police and Fire rates shown above. The employer contribution rate for firemen hired after October 1, 1980, is 17.24 percent, in addition to the PERSI Plan Police and Fire rates shown above.

After five years of credited service (five months for elected or appointed officials), members become fully vested in retirement benefits earned to date. Upon termination of employment, accumulated member contributions plus interest, accrued at 11.11 percent (4.75 percent prior to January 1, 2000) compounded monthly per annum, are refundable. Withdrawal of such accumulated contributions results in forfeiture of the member's accrued benefit; however, state law does include provisions for reinstatement of forfeited service upon repayment of the accumulated contributions plus interest.

Funding

Contributions from members, employers, and earnings from investments fund the PERSI Plan and FRF benefits. Additional FRF funding is obtained from receipts from a fire insurance premium tax. Member and employer contributions are a percentage of applicable member compensation. Member contribution rates are defined, by state law, as a percentage of the employer contribution rate. Employer contribution rates are recommended by periodic actuarial valuations and are subject to the approval of the Retirement Board and set forth in state statute. Valuations are based on actuarial assumptions, the benefit formulas, and employee groups of the PERSI Plan and FRF.

Costs of administering the plans are financed through the contributions and investment earnings of the System.

**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2000**

Idaho Super Saver-401(k) Plan

Plan Description

Organization and Purpose

The Idaho Super Saver – 401(k) Plan is a qualified 401(k) defined contribution pension plan, open to all employees of the State of Idaho. Statutes governing this Plan are *Idaho Code*, Title 59, Chapter 13. The Plan is organized to provide investment management services to state employees.

The administrator of this Plan is the Public Employee Retirement System of Idaho (the System). The System has entered into a contract with Scudder, Stevens & Clark, Inc. (Scudder), the Plan custodian and recordkeeper, for services relating to nine investment options managed by Scudder. These options include a U.S. Treasury Money Mutual Fund, an Income Mutual Fund, a Balanced Mutual Fund, and six equity mutual funds. Participants direct their investment mix without restriction and may elect to change their salary deferral every pay period. No retirement plan provisions changed during the year that affected the employees' selected contributions.

Membership

As of June 30, 2000, the Plan had 100 employer units eligible to have participating employees and 3,150 actual participants in the 401(k) Plan.

Benefits

Benefits depend solely on amounts contributed to the Plan plus investment earnings. Benefits are payable to participating employees or their beneficiaries in accordance with the terms of the 401(k) contracts. Distributions are allowed for the following: termination of employment, disability, financial hardship, retirement, and death. The financial hardship withdrawal is allowed only for the purposes of paying for college education, extraordinary medical expenses, avoiding eviction, or purchasing a primary home. Employees will be required to pay a 10 percent IRS penalty for "early withdrawal" if they are under the age of 59½ in addition to regular income taxes.

Summary of Significant Accounting Policies

The significant accounting policies are the same as PERSI's.

Funding Policy

Contributions

The 401(k) Plan currently allows participants to make tax-deferred contributions at 1 percent to 23 percent of their gross salary. Participants contributed \$5,333,636 during the year ended June 30, 2000. There are no employer contributions to the Plan.

Funding

The administrative expenses of the 401(k) Plan, most of which are paid to Scudder, are funded by the participants of the Plan.

**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2000**

Judge's Retirement Plan

Plan Description

Organization and Purpose

The Judges' Retirement Fund (JRF) is a single-employer defined benefit retirement plan, which provides retirement benefits for Justices of the Supreme Court, Court of Appeals Judges, and District Court Judges, hereinafter referred to as "members." The Idaho Judicial Department, under the direction of the Idaho Supreme Court, administers the JRF. In its administration and management of investments, the JRF is guided by the *Prudent Man Investment Act* and the *Idaho Code*, Sections 68-501 through 68-506. The JRF is also governed in its fiduciary responsibility by the *Idaho Code*, Section 59-1301, and is empowered in its sole discretion to limit, control, and designate the types and amounts of investments. Statutes governing the JRF are *Idaho Code*, Title 1, Chapter 20 also governs the JRF.

The Judges' Retirement Fund issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Idaho Supreme Court, P.O. Box 83720, Boise, ID 83720-0101.

Membership

As of June 30, 2000, the JRF had 47 retired members or beneficiaries collecting benefits, 8 terminated members entitled to, but not yet receiving benefits, and 45 active members.

Benefits

The benefit structure is based on members' years of service and compensation. In addition, benefits are provided for disability, death, and survivors of eligible members. The benefit payments for the JRF are calculated using a benefit formula adopted by the Idaho Legislature. For the first 10 years of service, benefits are credited at 4 percent per year of members' compensation. For the next nine years of service, benefits are credited at 2.5 percent per year of members' compensation. The maximum benefit is 62.5 percent of compensation.

Summary of Significant Accounting Policies

The JRF's financial statements are prepared using the accrual basis of accounting. Member and department contributions are recognized as revenues in the period in which the member's services are performed. Investment income and filing fees are recognized when earned and benefit payments, refunds, and other expenditures are recorded when the obligation is incurred.

The Fund's investments are presented at fair value. The fair value of investments is based on published market prices and quotations from major investment brokers when available. Short-term investments are reported at market value when published market prices and quotations are available, or at cost plus accrued interest, which approximate market value. Purchases and sales are recorded at the trade date.

Funding Policy

Contributions and Vesting

Members and the Judicial Department contribute to the JRF during their first 20 years of employment. Member and department contributions are a percentage of member compensation as defined by State law. Contributions provide for department and member contributions at 7 percent and 6 percent, respectively, of annual covered payroll. The payroll for members covered by the JRF was approximately \$3,920,000

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2000

for the year ended June 30, 2000. In addition, specified court filing fees in civil court actions are dedicated to the JRF.

Based on the most recent actuarial valuation at July 1, 2000, the Annual Required Contributions (ARC) were \$1,631,000. Total contributions to the pension plan for the fiscal year ended June 30, 2000, amounted to \$1,914,806, of which \$276,861 and \$274,618 were made by the Judicial Department and its justices and judges, respectively. In addition, the JRF received contributions from court filing fees of \$1,363,327. As of the last actuarial valuation, since the state contributions plus the filing fee contributions have been approximately equal to the ARC, the Annual Pension Cost (APC) is equal to the ARC and the Net Pension Obligation (NPO) is zero. There was no change in the NPO from the prior actuarial valuation.

The State's APC and NPO to JRF for the two most recent valuation periods are as follows:

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (NPO)
6/30/99	\$1,545,000	100.0%	\$0
6/30/00	\$1,631,000	100.0%	\$0

Members become fully vested in their retirement benefits after four years of credited service. If a member terminates from the JRF prior to four years of service, the member's contributions plus 6.5 percent per annum will be returned. Members are eligible for retirement benefits upon attainment of the age 65 or 20 years of service.

Funding

The JRF's benefits are funded by contributions from members and the Judicial Department, earnings from investments, and court filing fees.

The funding status and required contribution levels are reviewed periodically by an actuary using the Entry Age Actuarial Cost Method. Under this method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the earnings or service of the individual between entry age and assumed exit age. Actuarial valuations of the JRF are generally performed biennially. The last valuation was performed as of July 1, 2000.

Costs of administering the JRF are financed through the contributions and investment earnings of the JRF.

College and University Optional Retirement Plan*Plan Description**Organization and Purpose*

Effective July 1, 1990, the Idaho State Legislature authorized the Idaho State Board of Education to establish an Optional Retirement Plan (ORP), a defined contribution plan, for college and university faculty and exempt employees. Statutes governing this plan are *Idaho Code*, Sections 33-107A and 33-107B. Vendor options include Teachers' Insurance and Annuity Association-College Retirement Equities

**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2000**

Fund (TIAA-CREF), and Variable Annuity Life Insurance Company. The Plan is administered by TIAA-CREF and they may be reached at (800) 842-2009.

Membership

New faculty and exempt employees hired July 1, 1990, or thereafter, automatically enroll in the ORP and select their vendor option. Faculty and exempt employees hired before July 1, 1990, had a one-time opportunity to enroll in the ORP.

Funding Policy

Contributions and Vesting

The employee contribution requirement for the ORP is based on a percentage of total payroll. Employer contributions are determined by the State of Idaho. Although enrollees in the ORP no longer belong to PERSI, the employer is required to contribute 3.03 percent of the annual covered payroll to PERSI through July 1, 2015. During the year ended June 30, 2000, this supplemental funding payment made to PERSI was \$3,426,353.

The contribution requirement and amount paid for the year ended June 30, 2000, was \$16,755,884, which consisted of \$8,872,740 from the universities and \$7,883,144 from employees. These contributions represented approximately 7.72 percent and 6.97 percent of covered payroll.

Participants are immediately fully vested in the ORP. Retirement benefits are available either as a lump sum or any portion thereof upon attaining 55 years of age.

Department of Labor's Retirement Plan

Plan Description

Organization and Purpose

This stand-alone, insured retirement plan provides retirement benefits for employees (and their beneficiaries) of the Idaho Department of Labor hired prior to October 1, 1980. The authorities under which benefits are provided and may be amended are *Idaho Code*, Section 72-1335 and U.S. Department of Labor Rules and Regulations.

Membership

There are 122 current participating employees of the Idaho Department of Labor and 385 retired former employees or beneficiaries receiving benefits in the Labor Retirement Plan.

Benefits

The retirement benefit payments for the Retirement Plan are calculated using a benefit formula established by the Plan. This monthly benefit is payable for life, through an annuity purchased by Prudential Investments, with 120 payments guaranteed. Once an annuity is purchased, the State has no further liability. (An annuity is purchased for each employee that retires.) Prudential Investments has guaranteed to pay for benefits in the event of Prudential's insolvency. At September 30, 1999 (the last actuarial valuation date), there was no unfunded liability. The normal service retirement allowance is the average annual salary for the highest three consecutive years times the sum of:

**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2000**

1. 1 1/2 percent times each of the first five years of credited service,
2. 1 3/4 percent times each of the next five years of credited service, and
3. 2 percent times each year of credited service in excess of ten years.

According to the latest periodic actuarial valuation on September 30, 1999, the present value of future retirement benefits was \$116,359,000. The average assumed rate of return used in determining the actuarial present value of accumulated plan benefits was 7 percent for 1999. Net assets available for benefits (at fair value) are \$153,157,000.

Funding Policy

Contributions

Until August 1999, the employee contributed a portion of the normal cost contribution rate, 7 percent. The 7 percent employee contribution was required by the Plan and was therefore made even though it was not actuarially needed to finance future benefits. In August 1999, the United States Department of Labor approved a plan change to allow the Plan Actuary to determine the employee contribution rate. Employee contributions were then suspended through September 30, 2000, consistent with the most recent actuarial valuation. This valuation certified that the total contribution rate should remain at zero through September 30, 2001. The employer payments have been fully funded by Federal revenues from the U.S. Department of Labor. The total employer contribution for fiscal year 2000 was zero.

The Labor Retirement Plan is administered by the Department of Labor, which may be reached at (208) 334-6187.

NOTE 10. POSTEMPLOYMENT BENEFITS

The State funds or partially funds two types of postemployment benefits. The authority establishing the benefits and obligations to contribute is found in *Idaho Code*, Sections 67-5760 and 67-5761. These benefits relate to health, disability, and life insurance, and are described below.

A. Postemployment Benefits Other Than Pensions

Retirees Health Insurance Subsidy

A retired officer or employee of a state agency, department, or institution, including state officials and elected officials, who are eligible to retire under the Public Employee Retirement System of Idaho (PERSI) and whose unreduced PERSI monthly benefit at the time of retirement would meet or exceed the monthly cost of single retiree health insurance coverage, may elect to have the State's retiree health insurance coverage for themselves and eligible dependents. To be eligible, state employees must enroll within sixty days of the date of their retirement and must have ten or more years (20,800 or more hours) of credited state service in a state-sponsored retirement system. If the date of enrollment is deferred beyond the original date of retirement, employees' monthly retirement benefit amount must equal or exceed the single retiree premium at the time of the deferred enrollment.

The retiree coverage is different than that for active employees. The retiree pays the majority of the premium cost (unless they are participating in the sick leave fund described later). However, the retiree plan costs are "subsidized" by the active employee plan. The State contributes four dollars per active non-retired employee per month and the active employees contribute an equal amount, which goes to a

**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2000**

reserve to offset the monthly costs of the retirees' benefit. This per active employee amount remains relatively constant from year to year. Other than an aging population, there are no significant matters that affect comparability of the State's costs from one year to the next. For 2000, the State's monthly contribution towards the monthly premium of \$87,550 was approximately 4.2 percent of the total annual State and employee contribution of \$2,101,200. The State's annual contribution towards the retiree premium cost was approximately \$1,050,600. As of June 30, 2000, 2,758 retired employees were eligible to receive benefits. The Legislature has not set aside any assets to pay future benefits. The benefits are pay-as-you-go.

Long-term Disability

Long-term disability benefits are available for disabled employees, generally up to a maximum age of 70. Disabled employees are defined as being unable to perform each of the substantial and material duties of the job for which they were hired for the first 30 months of disability, or any job thereafter for which they are reasonably qualified by experience, education, or training. Additionally, to qualify for long-term disability, the waiting period of the later of 26 weeks of continuous total disability or exhaustion of accrued sick leave must be met. The gross benefit equals 60 percent of monthly salary or \$3,000 (whichever is less). The State pays 100 percent of the cost of the program. Each fiscal year, the present value of benefits for disabilities incurred in that fiscal year is funded. In addition, funding for disabilities incurred in prior fiscal years is adjusted to reflect unanticipated changes in number of claimants or benefit levels. Significant actuarial assumptions include an interest rate of 5.75 percent and a standard disability termination table. Plan assets are valued at cost and as of June 30, 2000, the net assets available for future payments were \$14,267,771. Of this amount, \$4,057,771 will be released to cover other reserves. The actuarial accrued liability for disabilities incurred in fiscal year 2000 and all prior years was \$10,210,000 as of June 30, 2000, and the unfunded liability was \$0. The State's actuarially required contribution for the period was 0.346 percent of payroll, and actual contributions for the period were 0.346 percent of payroll. As of June 30, 2000, there were 224 disabled employees receiving this benefit.

Payment of Life Insurance Premiums for Disabled Employees

The State pays 100 percent of the cost of basic life and dependent life coverage for disabled employees, generally up to a maximum age of 70. Disabled employees are defined as being unable to perform each of the substantial and material duties of the job for which they were hired for the first 30 months of disability, or any job thereafter for which they are reasonably qualified by experience, education, or training. Each fiscal year, the present value of benefits for disabilities incurred in that fiscal year is funded. In addition, funding for disabilities incurred in prior fiscal years is adjusted to reflect unanticipated changes in number of claimants or benefit levels. Significant actuarial assumptions include an interest rate of 5.75 percent and a standard waiver of premium life table. Plan assets are valued at cost and as of June 30, 2000, the net assets available for future payments were \$4,301,589. Of this amount \$1,589 will be released to cover other reserves. The actuarial accrued liability for disabilities incurred in fiscal year 2000 and all prior fiscal years was \$4,300,000 as of June 30, 2000, and the unfunded liability was \$0. The funding for these reserves is built into the premiums paid by the State to the life insurance carrier. As of June 30, 2000, there were 403 disabled employees receiving this benefit.

Payment of Health Insurance Premiums for Disabled Employees

For up to 30 months following the date of disability, the State pays 100 percent of the State's share of medical/dental premiums while the employee remains disabled. The employee is required to pay the normal contribution, if any, for these benefits. Each fiscal year, the present value of benefits for

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2000

disabilities incurred in the fiscal year is funded. In addition, funding for disabilities incurred in prior fiscal years is adjusted to reflect unanticipated changes in number of claimants or benefit levels. Significant actuarial assumptions include a standard disability termination table and a medical trend rate equal to the discount rate. Plan assets are valued at cost, and as of June 30, 2000, the net assets available for future payments were \$1,562,313. Of this amount, \$992,313 will be released to cover other reserves. The actuarial accrued liability for disabilities incurred in fiscal year 2000 and all prior fiscal years was \$570,000 as of June 30, 2000, and the unfunded liability was \$0. The State's actuarially required contribution for the period was \$2.66 per employee per month, and actual contributions for the period were \$2.66 per employee per month. As of June 30, 2000, there were 149 active plan participants.

B. Postemployment Healthcare Benefits Administered by Defined Benefit Pension Plan
Sick Leave/Insurance Reserve Fund

School districts and state agencies provide for the payment of certain postretirement health insurance premiums. The Sick Leave/Insurance Reserve Fund is a postretirement benefit that is not part of a defined benefit plan but is a separate, statutorily provided benefit available to retirees based on unused accumulated sick leave at their retirement date.

The Public Employee Retirement System of Idaho (the PERSI) acts as an agent for this fund on behalf of the employers, who fund the program by remitting a percentage of payroll to PERSI to cover future insurance premiums. The funds are held in the Sick Leave/Insurance Reserve Fund. The monies are presented in the General Fund for state retirees and in an agency fund for school district retirees. Employers are responsible for any unfunded benefit obligations. The sick leave/insurance reserve fund assets are valued at market value.

Statutes governing this program are *Idaho Code*, Sections 67-5339, 33-1216, and 33-1228, which provide for the transferring of amounts from the Sick Leave/Insurance Reserve Fund to a retiree's sick leave account for the payment of postretirement health benefits as may be maintained by the employer.

School District Retirees – For school district retirees, the unused sick leave amount available for benefits is based on one-half of their sick leave balance and rate of compensation at retirement.

State Retirees – State retirees are allowed to use one-half of their accrued sick leave hours up to the maximums described below:

Credited Hours of State Service	Maximum Allowable Sick Leave Hours Through June 29, 2000	Maximum Allowable Sick Leave Hours Effective June 30, 2000
0 - 10,400 (0-5 years of service)	192	420
10,401 - 20,800 (5-10 years of service)	240	480
20,801 - 31,200 (10-15 years of service)	288	540
31,201 + (15 years of service or more)	336	600

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2000

Presented below is pertinent actuarial information from the most recent actuarial valuation dated July 1, 1999:

	State	School Districts	Total
Active Participants	43,017	16,231	59,248
Contributions Required and Paid	\$7,003,932	\$6,852,022	\$13,855,954
Rate of Contribution	.65%	1.15%	
Total Net Assets Available for			
Future Payments	\$40,700,000	\$66,700,000	\$107,400,000
Unfunded Actuarial Liability	\$6,600,000	\$18,300,000	\$24,900,000
Actuarially Accrued Liability	\$47,300,000	\$85,000,000	\$132,300,000

Sick Leave/Insurance Reserve Fund actuarial valuations are performed biennially.

Postretirement health insurance benefits are advance-funded with employer contributions on an actuarially determined basis, using the Entry Age Actuarial Cost Method. Postretirement health insurance premiums are paid from the retiree's sick leave account until the account balance is exhausted.

NOTE 11. TAX ANTICIPATION NOTES

Idaho Code, Title 63, Chapter 32, authorizes the State Treasurer, on approval of the State Board of Examiners, to borrow money in anticipation of income or revenue from taxes. Such borrowing is for the current year only and is limited to no more than 75 percent of the income or revenue which is reasonably anticipated to be collected during the current fiscal year. External Tax Anticipation Notes sold on the open market were issued on July 1, 1999, in the principal amount of \$300,000,000. These notes were redeemed on June 30, 2000. The interest expense incurred and paid was \$12,714,583.

NOTE 12. RISK FINANCING

The State maintains a combination of commercial and self-insurance to cover the risk of losses to which it may be exposed. This is accomplished through the Risk Management and Group Insurance Funds (Internal Service Funds) and various outside entity insurance providers.

The Risk Management Fund manages property and general liability risk. The Fund also finances and accounts for other risks not covered by the Group Insurance and various outside entity insurance providers. General liability claims are self-insured up to the *Idaho Tort Claims Act* maximum of \$500,000 for each claim. Property damage claims are self-insured for up to \$250,000 per claim, not to exceed \$750,000 annually. Comprehensive collision and physical damage to covered vehicles are self-insured for replacement cost. The State purchases commercial insurance for claims not self-insured by the above coverages and for all other identified risks of loss, including workers' compensation insurance.

The Group Insurance Fund is used to account for and finance life, health, and disability insurance programs. Long-term disability benefits within Group Insurance are partially insured through others but the majority is self-insured. The liability for self-insurance claims has been actuarially determined. Policy claim liabilities are presented in the Group Insurance Fund and are composed of the liability for self-insured claims and the amounts required to fund premium payments of life and health coverage for disabled employees. Life, short-term disability, and health insurance programs are experience rated and fully insured. However, when the claims exceed 100 percent of the annual premium paid to the insurer,

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2000

the State is responsible for up to an additional 14 percent of the annual premiums for health and 10 percent of the annual premiums for the life coverage. The insurance carrier assumes the risk of loss for claims above the contractual ceilings. The amount the State is responsible for is accounted for and presented as reserved retained earnings in the Group Insurance Fund. The State also maintains program and premium stabilization balances in the catastrophic event they exhaust reserved equity. These amounts are included in unreserved retained earnings in the Group Insurance Fund.

All state entities may participate in the Risk Management and Group Insurance programs. Payments are made to the Risk Management Fund based on actuarial estimates, loss experience, exposure, and asset value covered. Payments made to the Group Insurance Fund are based on actuarial estimates of the amounts needed to pay for negotiated coverage and projected claims experience. For fiscal years 1999 and 2000, claims settlements for both funds did not exceed insurance coverage; however, during fiscal year 1998, claims settlements exceeded insurance coverage by \$373,557.

The liabilities for the Risk Management and Group Insurance Funds for the State are based on the requirements of the Governmental Accounting Standards Board's Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Liabilities for Risk Management include claim adjustment costs, any anticipated subrogation receipts, and are presented at their present value using a 4.5 percent discount interest rate. The following table presents changes in policy claim liabilities for the fiscal years ending June 30, 1999, and June 30, 2000:

<u>Fiscal Year</u>	<u>Beginning Balance</u>	<u>Changes in Estimate</u>	<u>Claims Payments</u>	<u>Ending Balance</u>
Risk Management				
1999	\$11,108,432	\$6,065,028	(\$2,664,134)	\$14,509,326
2000	\$14,509,326	\$1,596,751	(\$2,936,865)	\$13,169,212
Group Insurance				
1999	\$20,540,000	\$(725,400)		\$19,814,600
2000	\$19,814,600	\$(4,734,600)		\$15,080,000

The State records its premium liability using discounted amounts provided by actuaries. The discounted liabilities take into account anticipated investment income.

NOTE 13. LEASES

A. State as Lessee

The State leases office buildings, vehicles, and office/computer equipment. Although the lease terms vary, most leases are subject to annual appropriations from the State Legislature to continue the lease obligations. If a legislative appropriation is reasonably assured, leases are considered noncancelable for financial reporting purposes. Any escalation clauses, sublease rentals, and contingent rents are considered immaterial to the future minimum lease payments and current rental expenditures.

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2000

Operating Leases

Operating leases are leases for which the State will not gain title to the asset; therefore, the lease agreements are not reflected as assets in the State's balance sheet. They contain various renewal options, as well as some purchase options. Operating lease payments are recorded as expenditures or expenses of the related funds when paid or incurred. The total operating lease expenditures for fiscal year 2000 were \$21,744,356 for the primary government, \$39,327 for component units, and \$54,274 for colleges and universities.

Capital Leases

Capital leases are leases the State has entered into that are, in substance, a purchase. At the date of acquisition, the assets are valued on the balance sheet at the present value of the future minimum lease payments. Assets under capital leases originating in governmental funds are recorded in the General Fixed Assets Account Group and are not depreciated. Capital lease obligations for governmental funds are reported in the General Long-Term Debt Account Group. Capital lease assets and obligations for proprietary fund types are recorded in the respective funds as fixed assets and long-term obligations. Interest expense for capital leases is not capitalized in either fund type. Capital leases for college and university funds are reported in those funds along with the assets.

Future minimum lease commitments for noncancelable operating and capital leases as of June 30, 2000, are as follows:

Future Minimum Lease Commitments

Fiscal Year	Operating Leases				Capital Leases			
	Primary Government	Component Units	Colleges and Universities	Total Operating Leases	General Long-Term Debt Account Group	Proprietary Funds	Colleges and Universities	Total Capital Leases
2001	\$18,314,346	\$7,744	\$46,374	\$18,368,464	\$731,330	\$367,062	\$1,083,642	\$2,182,034
2002	16,336,206		30,996	16,367,202	440,399	358,907	1,074,792	1,874,098
2003	13,726,044		14,001	13,740,045	437,930	347,490	1,068,561	1,853,981
2004	10,093,861		14,001	10,107,862	437,930	347,490	1,032,692	1,818,112
2005	8,902,258		14,001	8,916,259	437,930	347,490	741,293	1,526,713
Thereafter	11,854,719		126,009	11,980,728	7,124,951	4,720,073	5,386,781	17,231,805
Total Payments	\$79,227,434	\$7,744	\$245,382	\$79,480,560	9,610,470	6,488,512	10,387,761	26,486,743
Less: Imputed Interest					6,070,620	4,334,817	3,752,981	14,158,418
Total Present Value of Minimum Lease Payments					\$3,539,850	\$2,153,695	\$6,634,780	\$12,328,325

**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2000**

The schedule below is an analysis of assets under capital leases as of June 30, 2000:

	General Fixed Asset Account Group	Proprietary Funds	Colleges and Universities	Fixed Assets Under Capital Leases
Land	\$321,482			\$321,482
Building	3,000,114	\$2,500,000	\$6,045,000	11,545,114
Machinery and Equipment	974,954	54,139	3,980,287	5,009,380
Improvements Other Than Buildings	608,911			608,911
Total Capital Leases	\$4,905,461	\$2,554,139	\$10,025,287	\$17,484,887

B. State as Lessor

Non-state parties rent land and buildings from the State under operating leases from the Departments of Health and Welfare, Lands, Parks and Recreation, the Historical Society, and the Lava Hot Springs Foundation. At June 30, 2000, the State leased the following:

Asset Class	Fair Market Value at Date of Acquisition
Land	\$2,068,226
Buildings	345,158
Improvements Other Than Buildings	2,500
Total	\$2,415,884

The Department of Lands participates in a zero service lease. A zero service lease is an operating lease, which the lessee pays the State a market rent for use of the real property with no other services provided by the State. The lessee bears the responsibility for actual operating costs associated with the services necessary to operate the property, with the exception of property damage and casualty insurance which the State maintains as part of the State's Risk Management Program. The actual cost of operating the property does not affect the market rent under the lease. The market rent paid by the lessee is established by an independent appraisal.

The following is a schedule of minimum future rentals for operating leases as of June 30, 2000:

Year Ending June 30	
2001	\$5,557,224
2002	5,796,184
2003	6,065,841
2004	6,373,688
2005	6,713,552
Thereafter	9,013,108
Total minimum future rentals	\$39,519,597

**Notes to the Financial Statements
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Minimum future rentals do not include contingent rentals, which may be received as stipulated in the lease contracts. Contingent rentals amounted to \$14,303 in fiscal year 2000.

NOTE 14. NOTES/BONDS/CONTRACTS PAYABLE

A. Primary Government and Blended Component Unit

The Idaho State Building Authority, a blended component unit reported as a special revenue fund, issues notes and bonds to finance construction or acquisition of facilities for lease to the State subject to prior legislative approval. Bonds payable, in thousands, are as follows:

Bond Description	Maturity Dates	Interest Rates	Principal at June 30, 2000	Interest	Total
1992 Series A Refunding Revenue Bonds	1993 to 2002	4.95% to 5.40%	\$2,790	\$192	\$2,982
1992 Series B Refunding Revenue Bonds	1993 to 2006	4.95% to 5.75%	2,090	408	2,498
1992 Series C Refunding Revenue Bonds	1993 to 2008	0.00% to 5.70%	20,005	3,603	23,608
1992 Series D Revenue Bonds	1993 to 2003	5.10% to 5.60%	555	56	611
1992 Series E Revenue Bonds	1993 to 2003	5.20% to 5.60%	1,560	156	1,716
1994 Series Revenue Bonds	1995 to 2008	5.00% to 5.90%	2,255	591	2,846
1995 Series Refunding Revenue Bonds	1996 to 2001	4.20% to 4.40%	1,955	56	2,011
1998 Series A Revenue Bonds	1999 to 2025	3.90% to 5.05%	58,985	43,751	102,736
1998 Series B Refunding Revenue Bonds	1999 to 2012	3.70% to 4.75%	1,945	730	2,675
1998 Series C Refunding Revenue Bonds	1999 to 2012	3.70% to 4.75%	5,395	2,028	7,423
Total Bonds Payable			\$97,535	\$51,571	\$149,106

Sinking fund requirements, in thousands, for the fiscal years subsequent to June 30, 2000, are as follows:

Bond Description	2001	2002	2003	2004	2005	Thereafter	Total
1992 Series A Refunding Revenue Bonds	\$994	\$995	\$993				\$2,982
1992 Series B Refunding Revenue Bonds	355	357	357	\$361	\$358	\$710	2,498
1992 Series C Refunding Revenue Bonds	2,430	2,467	2,468	2,471	2,473	11,299	23,608
1992 Series D Revenue Bonds	155	153	150	152			610
1992 Series E Revenue Bonds	431	431	429	426			1,717
1994 Series Revenue Bonds	317	316	315	318	319	1,261	2,846
1995 Series Refunding Revenue Bonds	1,202	809					2,011
1998 Series A Revenue Bonds	3,964	3,965	3,967	3,967	3,963	82,910	102,736
1998 Series B Refunding Revenue Bonds	101	100	100	104	253	2,017	2,675
1998 Series C Refunding Revenue Bonds	279	277	280	278	708	5,601	7,423
Total Bonds Payable	\$10,228	\$9,870	\$9,059	\$8,077	\$8,074	\$103,798	\$149,106

All bonds referred to above are direct obligations of the Authority payable from and secured by a pledge of lease revenues and other funds and reserves held under the bond resolutions. The Authority has surety

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2000

bonds in amounts up to the reserve requirements for all outstanding bonds. No amounts were outstanding at June 30, 2000, under these surety bonds.

The Authority has defeased several bonds by placing governmental securities into irrevocable trusts that are sufficient to provide for all future debt service payments on these bonds. Consequently, the related liability was appropriately removed from the financial statements in the year of defeasance. The remaining outstanding debt payable by the trust as of June 30, 2000, for each bond issue follows:

<u>Bond Issue</u>	<u>Amount Defeased</u>	<u>Remaining Liability</u>
1978 Series A	\$15,284,300	\$7,540,000
1992 Series D	1,820,000	1,820,000
1992 Series E	5,090,000	5,090,000

The advance refunding of the 1992 Series D and Series E bonds allowed the Authority to reduce its aggregate debt service payments by approximately \$128,000 and \$279,000 over the remaining term of the bond. The refunding on the 1992 Series D and Series E bonds also resulted in an economic gain of approximately \$89,000 and \$402,000. The economic gain is defined as the difference between the present values of the old and new debt service payments.

The American Trucking Association Settlement Fund, reported as a Transportation Special Revenue Fund, was established by the Idaho Legislature to fund payment of a \$27 million court-approved settlement. In April 2000, a lawsuit by the American Trucking Association *et al.* versus the State of Idaho resulted in this agreement. The Legislature appropriated \$17 million from the General Fund's Budget Stabilization Account and provided that \$10 million will be borrowed from the Petroleum Clean Water Trust Fund to be repaid with Transportation revenues. Of the \$27 million, the first \$3.4 million was paid in July 2000. The remaining \$23.6 million, which is shown in the General Long Term Debt Account Group, will be paid over the next two years.

Various Governmental funds have contract retentions in the amount of \$9,643,662. The funds will be released to the contractors once the projects are completed to a certain stage of satisfaction.

The State's colleges and universities have entered into a number of long-term debt obligations for the purpose of funding various projects. The schools have the following debt, in thousands, secured by land, equipment, and student fees:

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Bonds Payable	Maturity Dates	Interest Rates	Balance at June 30, 2000
Series A	1967 to 2004	3.63%	\$215
Series 1992	1993 to 2015	4.90% to 6.40%	6,745
Series 1993	1994 to 2017	4.40% to 5.50%	10,485
Series 1994	1995 to 2019	4.55% to 6.50%	14,435
Series 1995	1996 to 2020	4.65% to 5.80%	5,665
Series 1996	1997 to 2013	4.10% to 5.85%	25,000
Series 1997	1998 to 2022	4.10% to 6.85%	32,480
Series 1998	1999 to 2023	3.65% to 5.20%	50,175
Series 1999	2000 to 2026	3.60% to 6.50%	44,440
Total Bonds Payable			<u>\$189,640</u>
Notes Payable			
Secured by Future Revenues	12/31/2000	6.80%	\$127
Secured by Future Revenues	1994 to 2004	5.43%	275
Secured by Future Revenues	1999 to 2009	4.99%	1,455
Unsecured	1987 to 2010	3.00%	107
Unsecured	1996 to 2016	5.14%	4,517
Other Notes Payable Through the Year 2017 with Interest Rates Ranging from 5% to 10%			<u>1,671</u>
Total Notes Payable			<u>8,152</u>
Total Bonds and Notes Payable without Premium			<u>\$197,792</u>
Premium on Bonds			<u>582</u>
Grand Total Bonds and Notes Payable			<u>\$198,374</u>

There are a number of limitations and restrictions contained in the various bond indentures.

Principal maturities on notes and bonds payable, in thousands, for future years ending June 30 are as follows:

Years	Principal Payable
2001	\$7,141
2002	7,530
2003	7,981
2004	7,995
2005	8,325
Thereafter	<u>158,820</u>
Total	<u>\$197,792</u>

At June 30, 2000, debt in the amount of \$17,091,309 for the University of Idaho is considered extinguished through refunding of prior issues by a portion of current issues. Sufficient proceeds are invested in government securities and placed in escrow to assure timely payments of the maturities of those prior issues. Neither the debt nor the escrowed assets are reflected in the financial statements.

Notes to the Financial Statements
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The University of Idaho has an unsecured revolving line-of-credit with a bank for the purchase of real property, equipment, and other capital expenditures. The University may borrow at a variable or fixed rate based on the five-year U.S. Government Treasury Note Index less 1.35 percent. The minimum interest rate is 5 percent, and interest is due semi-annually on any outstanding balance. The maximum available line is \$1,500,000 with \$741,921 in outstanding borrowings at June 30, 2000.

University of Idaho and Boise State University have bonds payable premiums in the amount of \$272,474 and \$309,413, respectively.

At June 30, 2000, debt in the amount of \$8,680,000 for Boise State University is considered extinguished through refunding of prior issues by a portion of current issues. Sufficient proceeds are invested in government securities and placed in escrow to assure timely payments of the maturities of those prior issues. Neither the debt nor the escrowed assets are reflected in the financial statements.

At June 30, 2000, debt in the amount of \$7,115,000 for Idaho State University is considered extinguished through refunding of prior issues by a portion of current issues. Sufficient proceeds are invested in government securities and placed in escrow to assure timely payments of the maturities of those prior issues. Neither the debt nor the escrowed assets are reflected in the financial statements.

The Idaho Water Resource Board issued bonds in fiscal year 1999. In fiscal year 2000, these bonds were reported as an enterprise fund. The Board is authorized to issue and sell revenue bonds under provisions in *Idaho Code*, Sections 42-1739 through 42-1749. The bonds were issued for the Dworshak Hydroelectric Project and the revenues that the board shall derive from this project are pledged in order to pay its costs of planning, financing, acquisition, construction, operation, and maintenance of the water project. These bonds are not considered general obligations of the State. Bonds payable are as follows:

<u>Bond Description</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance June 30, 2000</u>
Water Resource Development Revenue Bonds, Series 1999	2001 to 2019	6.50% to 7.75%	\$5,000,000

Principal maturities on bonds payable, for future years ending June 30 are as follows:

<u>Years</u>	<u>Principal Payable</u>
2001	\$10,000
2002	25,000
2003	40,000
2004	60,000
2005	80,000
Thereafter	4,785,000
Total	\$5,000,000

State Lottery, reported as an enterprise fund, has an agreement with GTECH Corporation (GTECH) to install and operate the on-line lottery system. The agreement, which was amended on February 19, 1999, expires February 18, 2003, and is renewable for additional periods. The agreement provides for the Lottery to purchase certain computer hardware and a software license from GTECH and for GTECH to provide ongoing services to the Lottery.

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2000

In connection with the computer hardware purchase, the agreement requires that, commencing July 1, 1999, the Lottery pay GTECH a total of \$888,000, together with interest thereon at the rate of 7.95 percent per year, payable in monthly installments for a period of three years. In connection with the software license purchase, the agreement requires that, commencing February 19, 1999, the Lottery pay GTECH a total of \$2,080,000 payable in weekly installments of \$10,000 for a period of four years. These payments have been discounted at 7.95 percent. The unamortized discount is \$136,710 at June 30, 2000.

The remaining payments required to GTECH under the agreement to purchase hardware and the software license are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2001	\$734,008
2002	770,210
2003	331,068
	<u>1,835,286</u>
Less current portion	<u>(734,008)</u>
Total	<u>\$1,101,278</u>

See Note 19 for further information on the Lottery's agreement with GTECH for facilities management services.

B. Discretely Presented Component Unit

Idaho Housing and Finance Association (IHFA) bonds were issued to provide sources of capital for housing persons of low or moderate incomes. The bonds are secured by mortgages and repayments are made from the mortgage proceeds.

Bonds payable, in thousands, are as follows:

<u>Bond Types</u>	<u>Delivery Dates</u>	<u>Due Dates</u>	<u>Average Bond Yield</u>	<u>Amount</u>
Single Family Mortgage Purchase Bonds	3/78 to 3/83	1980 to 2015	5.80% to 9.56%	\$6,975 *
Single Family Mortgage Bonds	4/88 to 9/00	1990 to 2031	4.65% to 8.35%	1,474,582 *
FHA Insured Housing Revenue Bonds	12/86 to 5/00	1993 to 2041	5.02% to 8.46%	36,251
Insured Section 8 Assisted Housing Bonds	7/77 to 6/79	1980 to 2021	5.75% to 6.80%	17,955 *
Multifamily Housing/Refunding Bonds	5/94	1995 to 2024	6.58% to 8.23%	37,090
General Obligation Bonds	3/94	2004	5.00%	3,620
Interest Payable				43,748
Total				<u>\$1,620,221</u>

*The Idaho Legislature has authorized a continuing appropriation from the Idaho state sales tax account to the extent necessary to restore an annual deficiency in the capital reserve funds. Of the \$1,474,582,000 in Single Family Mortgage Bonds shown in the above table, \$21,765,000 is subject to an appropriation of the state sales tax account to restore an annual deficiency in the capital reserve funds associated with these bonds. The Capital Reserve Funds were established out of the proceeds of the previously identified bonds and are security for those bonds. The bonds currently backed by the capital reserve fund totaled \$46,695,000. The total principal amount of the bonds outstanding that are secured by a capital reserve

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2000

fund and are entitled to a continuing appropriation from the state sales tax account shall not exceed \$89,000,000. However, the amount will never exceed the current outstanding bond total of \$46,695,000.

Following is a schedule of IHFA principal debt maturities, in thousands (not including interest payable), for the fiscal years subsequent to June 30, 2000:

Bonds	2001	2002	2003	2004	2005	Thereafter	Total
Single Family Mortgage Purchase Bonds	\$985	\$1,030	\$1,045	\$615	\$615	\$2,685	\$6,975
Single Family Mortgage Bonds	68,632	35,097	37,699	40,153	42,261	1,250,740	1,474,582
FHA Insured Housing Revenue Bonds	203	231	278	323	278	34,938	36,251
Insured Section 8 Assisted Housing Bonds	645	685	720	765	815	14,325	17,955
Multifamily Housing/Refunding Bonds	835	910	1,000	1,090	1,170	32,085	37,090
General Obligation Bonds						3,620	3,620
Total	\$71,300	\$37,953	\$40,742	\$42,946	\$45,139	\$1,338,393	\$1,576,473

Each bond issue is secured by the pledge of repayments of mortgage loans purchased with the bond proceeds and of all revenue earned relating to those bonds.

Serial bonds and term bonds are subject to redemption at the option of the Association and subject to the terms of the respective bond indenture or bond resolution, in whole or in part, on various dates at prescribed redemption prices ranging from 100 to 103 percent. The bonds are also subject to special redemption from (1) unexpended proceeds of the bonds not committed to purchase mortgage loans, (2) forfeited commitment fees, and (3) early recoveries of principal and pledged receipts at any time. The par value of the Single Family Mortgage Bonds redeemed for the year ended June 30, 2000, was \$130,635,000.

Costs of issuing bonds are capitalized in the respective bond funds and amortized over the term of the bonds. During the year ended June 30, 2000, \$3,549,000 of financing costs were capitalized. The Association had special bond redemptions on January 1, 2000, and July 1, 1999. The deferred bond financing costs related to these special redemptions were written off and are shown separately in the Combined Statement of Revenues, Expenses, and Changes in Retained Earnings/Fund Balances as Other Non-operating Expenses.

IHFA also holds commercial paper in the amount of \$15,000,000. This provides funds to purchase single family mortgage loans on an interim basis as well as financing for multifamily construction loans. Maturities range from 91 to 153 days, and have a weighted average interest rate of 6.557 percent.

Conduit debt obligations are certain limited obligation debt instruments issued for the express purpose of providing capital financing for a specific third party that is not a part of the issuer's financial reporting entity. From time to time the Association has issued bonds to provide financial assistance to entities for the construction of facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying investments. Upon repayment of the bonds, ownership of the constructed facilities transfers to the entity served by the bond issuance. The Association is not obligated in any manner for repayment of these bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2000, there were six series of bonds outstanding that meet the description of conduit debt obligations. They had an aggregate principal amount payable of \$20,260,000.

Notes to the Financial Statements
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NOTE 15. GRAND PRIZES PAYABLE

The State Lottery participates in a Multi-State Lottery Association (MUSL). Concurrent with the grand prize awards, MUSL purchased annuities to settle each of the grand prize obligations. The annuities were purchased at a discount from the total value of future payments. The discount is amortized over the 19-year life of the underlying annuity.

In each instance, the winner is paid one-twentieth of the prize amount in the first year and receives 19 equal installments comprising the balance.

The following sets forth the remaining payments required under the grand prize obligations:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2001	\$9,370,000
2002	9,370,000
2003	9,370,000
2004	9,370,000
2005	9,370,000
2006 and thereafter	82,931,000
	<u>129,781,000</u>
Amount Representing Interest	(45,934,216)
Total	<u><u>\$83,846,784</u></u>

In October 1998, Congress amended the United States tax code to waive the application of the constructive receipt rule in certain limited circumstances and created a period of time during which previous Grand Prize winners may elect to convert their lottery annuity prize to a one-time lump sum payment. Pursuant to this change, in January 2000, the Lottery Commission offered prior on-line winners the opportunity to convert their annuity prize to a lump sum cash payment. This cash payment is based on the actual proceeds from the sale of securities held to fund the annuity prize, discounted to present value. This one-time option to convert must be exercised by December 31, 2000. In August 2000, a portion of one grand prize annuity was converted resulting in a one time cash distribution of approximately \$1,400,000.

NOTE 16. CHANGES IN GENERAL LONG-TERM DEBT

The changes in the General Long-Term Debt Account Group for the fiscal year ended June 30, 2000, are summarized as follows:

	<u>Balances at July 1, 1999 (as adjusted)</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balances at June 30, 2000</u>
Compensated Absences	\$28,479,396	\$1,809,689		\$30,289,085
Capital Leases	3,693,578	103,426	\$257,154	3,539,850
Notes and Bonds	102,130,000	23,569,842	4,595,000	121,104,842
Contracts Payable	2,540,671	11,790,304	4,687,313	9,643,662
Totals	<u><u>\$136,843,645</u></u>	<u><u>\$37,273,261</u></u>	<u><u>\$9,539,467</u></u>	<u><u>\$164,577,439</u></u>

Notes to the Financial Statements
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NOTE 17. FUND EQUITY*Retained Earnings and Fund Balances*

Reservations of fund equity represent amounts that are legally segregated and that cannot be appropriated in subsequent years. Designations of unreserved fund equity reflect tentative management plans or intent for future use of available financial resources.

Retained Earnings

At June 30, 2000, the following amounts of Retained Earnings were reserved:

Reservations of Retained Earnings

	<u>Internal Service</u>	<u>Component Units</u>
Retained Earnings Reserved for:		
Contract Requirements	\$12,110,873	
Bond Indentures		\$57,150,000

The following subsections contain further descriptive information regarding the above reserved components of Retained Earnings.

Reserved for Contract Requirements – an account used to segregate a portion of fund equity for the contractually required life and health insurance coverages.

Reserved for Bond Indentures – an account used to segregate a portion of fund equity in the Idaho Housing and Finance Association for amounts restricted by bond indentures.

In addition to the above specific reservations, management intends to use \$10,095,054 unreserved retained earnings in the Group Insurance Fund (internal service fund) as a buffer to protect the insured against significant increases in insurance premium rates. The Board of Idaho Housing and Finance Association (discretely presented component unit) has resolved to allocate \$60,578,354 of the unreserved retained earnings to internal reserve accounts in order to sustain expected debt issuance patterns and to maintain bond ratings at current or higher levels. Management also intends to use \$15,384,000 of the unreserved retained earnings for programmatic uses in connection with the Affordable Housing Trust Investment Fund.

**Notes to the Financial Statements
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Fund Balances

At June 30, 2000, the following amounts of fund balance were reserved or designated:

Reservations and Designations of Fund Balances

	General	Special Revenue	Trust and Agency	Colleges and Universities	Totals
Fund Balances Reserved for:					
Bond Indentures				\$9,947,932	\$9,947,932
Capital Outlay		\$522,481			522,481
Debt Service		4,654,840			4,654,840
Encumbrances	\$29,907,052	57,928,621			87,835,673
Inventory	258,869	18,331,882			18,590,751
Employees' Pension Benefits			\$7,352,995,245		7,352,995,245
Loans and Notes	68,715	6,424,859	1,662,001	24,736,876	32,892,451
Endowment Principal			812,305,176	77,631,779	889,936,955
External Investment Fund Participants			612,282,033		612,282,033
Total Reserved Fund Balances	\$30,234,636	\$87,862,683	\$8,779,244,455	\$112,316,587	\$9,009,658,361
Unreserved Fund Balances					
Designated for:					
Contingencies		\$1,462,696			\$1,462,696
Plant Funds				\$19,567,570	19,567,570
Other Specified Purposes				8,530,539	8,530,539
Total Unreserved, Designated Fund Balances		\$1,462,696		\$28,098,109	\$29,560,805

The following subsections contain further descriptive information regarding the above reserved and designated components of fund balance.

Reserved for Bond Indentures – an account used to segregate a portion of fund balance for College and University Funds, which relates to bond indentures.

Reserved for Capital Outlay – an account used to segregate a portion of fund balance for the blended component unit, Idaho State Building Authority, which relates to capital outlay.

Reserved for Debt Service – an account used to segregate a portion of fund balance for the blended component unit, Idaho State Building Authority, which relates to debt service.

Reserved for Encumbrances – an account used to segregate a portion of fund balance for commitments related to unperformed contracts.

Reserved for Inventory – an account used to segregate a portion of fund balance for inventory that is not available for future appropriation.

Notes to the Financial Statements
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Reserved for Employees' Pension Benefits – an account used to segregate a portion of fund balance for the specific future use of the retirement systems' members.

Reserved for Loans and Notes – an account used to segregate a portion of fund balance to reflect the amounts bound by contractual obligations and not available for current appropriations.

Reserved for Endowment Principal – an account used to segregate a portion of fund balance to indicate the principal amount of nonexpendable trust funds that is legally restricted for a specific future purpose.

Reserved for External Investment Fund Participants – an account used to segregate a portion of fund balance for the investments related to external participants in the Joint Exercise of Powers Trust Fund.

Designated for Contingencies – the amount of the unreserved fund balance the management of the Wheat Commission and the Idaho State Bar intend to use for contingencies.

Designated for Plant Funds – the amount of the unreserved fund balance in the College and University Funds management intends to use to finance the acquisition, construction, improvement, renewal, or replacement of physical properties, and to pay debt service and retire indebtedness on institutional properties.

Designated for Other Specified Purposes – the amount of the unreserved fund balance in the College and University Funds management intends to use for various operating purposes specific to individual higher education institutions.

NOTE 18. SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The following enterprise funds are intended to be self-supporting through sales and user fees charged for various services to the general public, state, and other governmental entities:

Correctional Industries - provides employment for the inmates of the Department of Correction by producing and selling a wide range of products to wholesalers and state agencies.

Liquor Dispensary - controls the sale and distribution of liquor products in the State.

State Lottery - accounts for the operation of a state lottery to generate revenues for state buildings and public schools.

Loan Fund- provides loans to Idaho municipalities to make improvements to their wastewater and drinking water systems and other water related projects.

**Notes to the Financial Statements
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Segment information for these enterprise funds is summarized below:

	Enterprise Funds Segment Information				
	Correctional Industries	Liquor Dispensary	State Lottery	Loan Fund	Total
Operating Revenues	\$7,162,248	\$65,584,225	\$87,118,459	\$16,670,854	\$176,535,786
Depreciation	234,691	152,504	1,595,542		1,982,737
Operating Income	18,471	9,518,924	18,239,896	16,179,972	43,957,263
Operating Transfers In				4,700,000	4,700,000
Operating Transfers Out		(9,295,000)	(20,600,000)		(29,895,000)
Net Income (Loss)	134,756	560,282	(2,360,104)	23,025,533	21,360,467
Property, Plant, and Equipment:					
Increase	457,144	67,381	1,068,451	3,103,413	4,696,389
Decrease	(247,345)	(155,905)	(1,595,542)		(1,998,792)
Net Increase (Decrease)	209,799	(88,524)	(527,091)	3,103,413	2,697,597
Net Working Capital	3,576,099	5,658,088	11,099,803	45,854,289	66,188,279
Total Assets	6,017,152	14,845,632	106,637,020	116,157,783	243,657,587
Bonds and Other Long-Term Liabilities		2,124,121	84,948,062	5,000,000	92,072,183
Total Equity	5,267,625	6,789,380	17,476,750	110,005,505	139,539,260

NOTE 19. LITIGATION, CONTINGENCIES, AND COMMITMENTS

Litigation and Contingencies

In *ISEEO, et al. v. Evans, et al.*, the plaintiffs allege that the current public school system does not provide a “thorough” education as required by the *Idaho Constitution*. Plaintiffs allege that approximately \$700 million to \$1 billion in construction expenditures will be needed to bring public schools up to standards. The case has been dismissed three times by the district court and appealed to the Supreme Court. The Supreme Court has remanded the case back to the district court, each time providing additional directions. The district court is expected to issue a decision in the near future.

The State vigorously contests both the allegation that Idaho’s public school system is not thorough and the alleged costs asserted by the plaintiffs. However, if the plaintiffs were ultimately successful in obtaining a declaratory judgment requiring substantial expenditures, the Legislature would need to address the declaratory judgment by either raising revenues or reallocating expenditures.

Four separate companies have filed suit against the Idaho Potato Commission claiming damages under the anti-trust provisions of the *United States Code* in the amounts of \$10 million to \$90 million each. The case is in the final stages of procedural motions to determine whether the Commission is entitled to assert state sovereignty or state action immunity against the adverse parties. The trial court initially ruled that the Idaho Potato Commission was not entitled to the sovereign immunity defense and that the state action immunity defense could not be decided until discovery was completed. Upon reconsideration, the court reversed itself and held that the Idaho Potato Commission was entitled to sovereign immunity under the Eleventh Amendment and also to state action immunity under the Parker holding of the U.S. Supreme

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2000

Court. These redeterminations by the Court are being appealed by the four companies to the Second Circuit Court of Appeals, which will hear the case after January 24, 2001. The Commission is vigorously defending these claims and is being assisted in its defense by the State of Idaho, Department of Risk Management. The Commission believes there is no basis for the claim for damages.

A contingent liability exists for the Department of Insurance, regarding Investment Premium Tax Credits, Premium Tax Refunds, and Retaliatory Taxes on Foreign Insurers. This contingent liability has not changed status (with the exception of the amount of the potential liability) from the prior year. Last year's estimated range of \$17,204,000 to \$30,587,000 has changed to \$19,049,000 to \$34,245,000.

As the result of a November 1998 Master Settlement Agreement between the five largest tobacco manufacturers and 46 states, Idaho expects to receive approximately \$25 million to \$30 million per year over the next 24 years. The annual payments are to be received into perpetuity, subject to numerous adjustments. The State received \$29,728,524 during fiscal year 2000. Too many contingencies are associated with the calculation of the annual payments for the State to record an accounts receivable.

A contingent liability exists for the Department of Agriculture, regarding the Commodity Indemnity Account. When a bonded warehouse or commodity dealer has failed, the Commodity Indemnity Account is available for the purpose of paying claims. Upon furnishing proof of the claims, the Director of Agriculture may pay up to 90 percent of the approved claim. The Department currently has two warehouse failures. The estimated range of the possible loss is \$0 to \$10 million.

Idaho Life and Health Insurance Guaranty Association has not assessed or accrued for all potential shortfall for several insolvent insurers. The total liability relating to these insolvencies is not yet determined. However, management's best estimate of future unrecorded shortfall at this time is \$4,727,000 for Executive Life. Assessments for the shortfall will be made in future periods as amounts become due, if necessary.

Revenue from federal grants includes amounts for the recovery of overhead and other costs. The State may be required to make refunds of federal reimbursements as a result of audits. The opinion of the State is that these refunds, if any, will not have a significant effect on the financial position of the State.

The State is also a defendant in numerous legal proceedings pertaining to matters incidental to the performance of routine governmental operations. Such litigation includes, but is not limited to, claims asserted against the State arising from alleged torts, alleged breaches of contracts, condemnation proceedings, and other alleged violations of state and federal laws. It is not possible, at the present time, to estimate the ultimate outcome or liability, if any, of the State in respect to the various proceedings; however, it is believed that any ultimate liability resulting from these suits will not have a material adverse effect on the financial condition of the State.

Commitments

The Department of Administration estimates there will be approximately \$53,224,350 of additional costs to complete state buildings and other assets currently under construction. The Idaho Transportation Department and the Department of Parks and Recreation have a total of \$126,336,300 in outstanding commitments for construction projects underway at year-end, of which \$122,987,040 is for infrastructure.

Colleges and universities estimate costs to complete property authorized or under construction at June 30, 2000, totaled \$111,076,069.

**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2000**

The Department of Correction has entered into a three-year contract with Corrections Corporation of America to operate a 1,250-bed prison. The contract went into effect July 2000. Cost per inmate is \$36.25 per day, with a potential cost for a full year at full occupancy of \$16,539,063. Total potential cost for the three-year term of the contract is \$49,358,519. The Department of Correction also renewed a contract for one year on October 1, 2000, with Correctional Medical Services for an estimated \$8.9 million.

The Idaho State Building Authority signed a contract for \$49,986,944 with Corrections Corporation of America for the development and construction of a new prison facility. Of this amount, \$520,000 was unexpended as of June 30, 2000.

The Department of Health and Welfare administers the State Revolving Fund (SRF). This fund provides a financing source for the construction of publicly owned water pollution control and drinking water treatment facilities. As of June 30, 2000, the Clean Water SRF had loan commitments of \$23,019,163 that are funded with approximately 83 percent federal funds and 17 percent state matching dollars. The Drinking Water SRF had \$5,373,100 of loan commitments that are funded with approximately 80 percent federal funds and 20 percent state matching dollars.

On June 27, 2000, the Commissioners of the State Lottery approved a total transfer of \$18,000,000 to the School District Building Fund and the State Permanent Building Fund. The transfers were made in July, September, and November 2000.

The Dairy Products Commission annually commits to participate in a national advertising pool administered by Dairy Management, Inc. By contractual agreement, the Commission's 2000 advertising pool commitment will not exceed \$3,103,885.

The accrual basis of accounting provides that expenditures are recognized when incurred and liabilities include the unpaid amounts associated with such expenditures. Accordingly, approximately \$1.35 million of outstanding purchase orders and purchase commitments are encumbered by PERSI but not reported in the general purpose financial statements.

The State Lottery has contracted with GTECH, Inc., to install and operate the on-line lottery system. The contract, which was amended on February 19, 1999, expires February 18, 2003. In addition to agreements related to hardware and software purchases, which are discussed in Note 14, the State Lottery agreed to pay GTECH, Inc. 2.99 percent of gross, weekly on-line ticket sales plus \$16,000 per week and \$75 per instant ticket vending machine placed in service per month for ongoing management services. The State Lottery paid \$1,325,358 to GTECH, Inc. for the year ended June 30, 2000.

NOTE 20. ADJUSTED BEGINNING BALANCES

For fiscal year 2000, additional information became available that required the restatement of fund equity amounts. The following is a summary of reclassifications and adjustments, which were reported in the accompanying financial statements for the year ended June 30, 2000:

**Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2000**

Adjusted Beginning Balances

	General	Special Revenue	Enterprise	Internal Service	General Fixed Assets	General Long- Term Debt Account Group
A	\$307,454,960	\$391,434,008	\$31,198,821	\$26,227,753	\$761,482,390	\$148,443,645
B	(1,148,672)	(93,738,486)	86,979,972	(111,288)	(1,000,746)	(5,000,000)
C		20,446,486				
D		3,344,896		2,117,952	(3,424,901)	(6,600,000)
E	\$306,306,288	\$321,486,904	\$118,178,793	\$28,234,417	\$757,056,743	\$136,843,645

A. Beginning Balances, as previously reported.

B. Reclassification of fund structure.

C. Inventory method for governmental funds changed from purchases to consumption.

D. Accounting corrections related to prior years.

E. Beginning Balances, as adjusted.

During the year, an insurance liquidation trust was reclassified from a Regulatory Special Revenue fund to an agency fund, Other Custodial; the Governor's Residence fund was reclassified from the General Fund to a Miscellaneous Special Revenue fund; and loan funds were reclassified from the special revenue funds to an enterprise fund, Loan Fund.

Newly Issued Accounting Pronouncements

In December 1998, the Governmental Accounting Standards Board (GASB) issued Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. This Statement addresses the timing of recognition of nonexchange transactions involving cash and other financial or capital resources. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2000, with earlier application encouraged. The State implemented GASB Statement No. 33 beginning fiscal year 2000. The impact of this Statement was not material to the State's financial statements.

In June 1999, the GASB issued Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*. This Statement establishes new financial reporting requirements for state and local governments throughout the United States. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2001. Management has not yet determined the impact that Statement No. 34 will have on the State's financial statements.

In November 1999, the GASB issued Statement No. 35, *Basic Financial Statements—and Management's Discussion and Analysis—for Public Colleges and Universities*. This Statement amends Statement No. 34 to include public colleges and universities in the scope of that standard. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2001. Management has not yet determined the impact that Statement No. 35 will have on the State's financial statements.

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2000

NOTE 21. SEGMENT INFORMATION FOR DISCRETELY PRESENTED COMPONENT UNITS

The State has three proprietary-type component units. Component units are organizations that are legally separate, but the State is ultimately financially accountable, or the nature and significance of their relationship with the State are such that exclusion would cause the State's financial statements to be misleading or incomplete. The component units are reported in a separate column to emphasize that they are legally separate from the State and governed by separate boards or commissions. The three component units are described in detail in Note 1.

The following component unit financial statements include condensed information for the above component units:

Balance Sheet Discretely Presented Component Units - Proprietary Funds June 30, 2000

	Idaho Housing and Finance Association	Idaho Life and Health Insurance Guaranty Association	Petroleum Clean Water Trust Fund	Total
Assets				
Cash Equity with Treasurer			\$3,362,417	\$3,362,417
Cash and Cash Equivalents	\$30,694,000	\$264,993		30,958,993
Investments	381,180,000	8,224,153	39,428,799	428,832,952
Deferred Bond Financing Costs	19,030,000			19,030,000
Notes and Mortgages Receivable, Net	1,361,055,000			1,361,055,000
Other Assets	3,546,000	84,767	299,279	3,930,046
Fixed Assets - Net	7,469,000		24,262	7,493,262
Total Assets	\$1,802,974,000	\$8,573,913	\$43,114,757	\$1,854,662,670
Liabilities and Fund Equity				
Liabilities				
Accounts Payable and Other Liabilities	\$6,888,000	\$344,275	\$2,087,118	\$9,319,393
Deposits	14,961,000			14,961,000
Deferred Revenue		4,970		4,970
Notes, Bonds, and Contract Payable	1,635,221,000			1,635,221,000
Policy Claim Liabilities		20,067	4,569,690	4,589,757
Total Liabilities	1,657,070,000	369,312	6,656,808	1,664,096,120
Fund Equity				
Retained Earnings				
Reserved	57,150,000			57,150,000
Unreserved	88,754,000	8,204,601	36,457,949	133,416,550
Total Fund Equity	145,904,000	8,204,601	36,457,949	190,566,550
Total Liabilities and Fund Equity	\$1,802,974,000	\$8,573,913	\$43,114,757	\$1,854,662,670

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2000

Statement of Revenues, Expenses and Changes in Retained Earnings

Discretely Presented Component Units - Proprietary Funds

For the Fiscal Year Ended June 30, 2000

	Idaho Housing and Finance Association	Idaho Life and Health Insurance Guaranty Association	Petroleum Clean Water Trust Fund	Total
Operating Revenues				
Licenses, Permits, and Fees	\$7,406,000		\$1,669,715	\$9,075,715
Sales of Services, Goods, and Property		\$43,332		43,332
Interest and Other Investment Income	83,688,000			83,688,000
Miscellaneous Income	646,000	1,123,961	92,527	1,862,488
Total Operating Revenues	91,740,000	1,167,293	1,762,242	94,669,535
Operating Expenses				
Personnel Costs	4,643,000	100,684		4,743,684
Services	3,286,000	60,328	2,137,416	5,483,744
Insurance, Utilities, and Rent		11,775		11,775
Miscellaneous	726,000	2,675,321		3,401,321
Depreciation	1,395,000	496	5,601	1,401,097
Awards and Claims		119,124	2,787,669	2,906,793
Total Operating Expenses	10,050,000	2,967,728	4,930,686	17,948,414
Operating Income (Loss)	81,690,000	(1,800,435)	(3,168,444)	76,721,121
Nonoperating Revenues (Expenses)				
Interest Income		570,568		570,568
Investment Income	18,689,000	60,972	2,682,824	21,432,796
Net Inc (Dec) in Fair Value of Investments	(2,027,000)	(189,879)	(332,622)	(2,549,501)
Interest Expense	(87,004,000)			(87,004,000)
Other	(1,827,000)			(1,827,000)
Total Nonoperating Revenues (Expenses)	(72,169,000)	441,661	2,350,202	(69,377,137)
Net Income (Loss)	9,521,000	(1,358,774)	(818,242)	7,343,984
Beginning Retained Earnings, as Adjusted	136,383,000	9,563,375	37,276,191	183,222,566
Ending Retained Earnings	\$145,904,000	\$8,204,601	\$36,457,949	\$190,566,550

NOTE 22. SUBSEQUENT EVENTS

Subsequent to June 30, 2000, the Idaho Housing and Finance Association issued Single-Family Mortgage Bonds 2000 Series E in the amount of \$35,000,000. Special redemptions on Single-Family Mortgage Bonds were made on July 1, 2000, with a par value of \$36,600,000. Write-offs related to special bond redemptions for July 1, 2000, totaled \$467,000.

During the November 2000 election, S.J.R. 107 was approved by voters amending the *Constitution* to authorize the Legislature to enact statutes creating a municipal bond bank authority to purchase municipal bonds and other obligations; make loans to municipalities secured by municipal bonds and other obligations; issue revenue bonds secured by municipal bonds and obligations. A municipality is defined as any county, city, municipal corporation, school district, irrigation district, sewer district, water district, highway district, special purpose district, or political subdivision of the State established by law.

Required Supplementary Information



Nez Perce Women in front of tipi.
Idaho State Historical Society

State of Idaho
**Schedules of Funding Progress
For the Fiscal Years 1995 - 2000**

Actuarial Valuation Date	(1) Actuarial Market Value of Assets	(2) Accrued Liability (AAL) Entry Age	(3) PV of Future ORP Contributions	(4) Unfunded AAL (UAAL) (2) – (1) – (3)	(5) Funded Ratios (1) : (2 – 3)	(6) Annual Covered Payroll	(7) UAAL as a Percentage of Covered Payroll (4) : (6)
PERSI Plan (<i>dollars in millions</i>)							
7/1/95	\$3,087.3	\$4,077.8	\$38.4	\$952.1	76.4%	\$1,525.0	62.4%
7/1/96	3,761.2	4,461.5	60.8	639.5	85.5	1,497.4	42.7
7/1/97	4,609.8	4,801.9	63.2	128.9	97.3	1,575.5	8.2
7/1/98	5,488.2	5,060.0	65.7	(493.9)	109.9	1,627.7	(30.3)
7/1/99	6,171.9	5,536.8	68.9	(704.0)	112.9	1,733.5	(40.6)
7/1/00	7,032.9	6,105.1	70.5	(998.3)	116.5	1,824.1	(54.7)

Firemen's Retirement Fund (*dollars in millions*)

7/1/96	\$132.1	\$246.7		\$114.6	53.5%	\$24.6	465.9%
7/1/97	132.1	246.7		114.6	53.5	24.6	465.9
7/1/98	179.0	284.0		105.0	63.0	28.0	375.0
7/1/99	179.0	284.0		105.0	63.0	28.0	375.0
7/1/00	217.8	293.4		75.6	74.2	30.8	245.5

FRF actuarial valuations are performed biennially.

Judges' Retirement Fund (*dollars in millions*)

7/1/95	\$27,075	\$25,999		\$(1,076)	104.1%	\$3,304	0.0%
7/1/96				no valuation			
7/1/97	39,720	29,488		(10,176)	134.4	3,611	0.0
7/1/98				no valuation			
7/1/99	60,589	34,574		(26,218)	175.8	3,961	0.0
7/1/00	58,446	54,728		(3,718)	106.8	4,412	0.0

JRF actuarial valuations are generally performed biennially.

Schedules of Employer Contributions
For the Fiscal Years 1995 - 2000

PERSI Plan
Employer Contributions (*dollars in millions*)

Year Ended June 30	Annual Required Contribution	Annual Required Contribution	Percentage Contributions
1995	\$173.6	11.39%	100.0%
1996	176.5	11.63	100.0
1997	185.9	11.64	100.0
1998	172.3	10.41	100.0
1999	173.2	9.80	100.0
2000	182.6	8.32	118.0

Firemen's Retirement Fund
Employer Contributions (*dollars in millions*)

Year Ended June 30	Annual Required Contribution	Annual Required Contribution	Percentage Contributions
1996	\$7.25	15.40%	100.0%
1997	9.45	15.40	79.2
1998	9.45	17.24	84.7
1999	8.64	17.24	99.1
2000	8.64	17.24	100.4

FRF actuarial valuations are performed biennially.

Judges' Retirement Fund
Employer Contributions (*dollars in millions*)

Year Ended June 30	Annual Required Contribution	Annual Required Contribution	Percentage Contributions
1995	\$1,288	39.0%	100.0%
1996		no valuation	
1997	1,495	41.4	100.0
1998		no valuation	
1999	1,545	39.0	100.0
2000	1,631	37.0	100.0

JRF actuarial valuations are generally performed biennially.

**Notes to the Required Supplementary Schedules
For the Fiscal Year Ended June 30, 1999**

The required supplementary information presented in this report was determined as part of the actuarial valuations as of the dates indicated. The following tables present the notes to the required supplementary information, which contain additional information as of the latest actuarial valuations:

1. Actuarial Information – The PERSI Plan and Firemen’s Retirement Fund

	<u>PERSI Plan</u>	<u>FRF</u>
Valuation date	July 1, 2000	July 1, 2000
Actuarial cost method	Entry Age Actuarial Cost	Entry Age Actuarial Cost
Amortization method	Level Percentage of Projected Payroll	Level Dollar Amount
Remaining amortization period under the open approach	25 years - Open	11.0 years - Closed
Asset valuation method	Market Value	Market Value
Actuarial assumptions:		
Investment rate of return	8.00%	8.00%
Projected salary increases	5.25%	5.25%
Postretirement benefit increase	1.00%	5.25%
Inflation rate	4.00%	N/A

2. Actuarial Information – Judges’ Retirement Fund

Valuation date	July 1, 1999
Actuarial cost method	Entry Age Actuarial Cost
Amortization method	Level Percentage of Projected Payroll
Remaining amortization period under the open approach	Not Applicable
Asset valuation method	Market Value
Actuarial assumptions:	
Investment rate of return	7.50%
Projected salary increases	5.00%
Postretirement benefit increase	5.00%
Inflation rate	N/A

Combining Financial Statements and Schedules



George Catlin's drawing of the Mandan leader Wolf Chief, wearing a peace medal and holding two calumets.

Peabody Museum of Archaeology and Ethnology, Harvard University
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SPECIAL REVENUE FUNDS account for specific revenues designated to finance specific functions of government. The following provides a brief description of significant special revenue funds.

The FISH AND GAME FUND accounts for revenues and expenditures associated with enforcing and administering the fish and game laws in Idaho and to perpetuate and manage the State's wildlife resources. Funding is provided from dedicated user fees and federal grants.

The HEALTH AND WELFARE FUND accounts for revenues and expenditures associated with administering public assistance, medical care, foster care, child support enforcement, and other relief to the eligible citizens of Idaho. Funding is provided from the General Fund, federal grants, dedicated user fees, and various other sources.

The TRANSPORTATION FUND accounts for revenues and expenditures associated with highway construction and maintenance. Funding is provided from motor vehicle related taxes and user fees, as well as various federal highway administration funds.

The FEDERAL FUND accounts for a portion of the revenues and expenditures associated with federal grants received by the State. Federal grants are also included in the Fish and Game Fund, Health and Welfare Fund, and Transportation Fund.

The REGULATORY FUND accounts for revenues and expenditures associated with various professional licensing and monitoring functions. The major source of funding is license fees.

The AGRICULTURE AND NATURAL RESOURCES FUND accounts for revenues and expenditures associated with the maintenance, preservation, and regulation of the State's parks, water, and agricultural resources. Funding is provided from dedicated user fees, sale of services or goods, and various other sources.

The MISCELLANEOUS FUND accounts for revenues, expenditures, and other financial activities associated with general government services where the major source of funding is provided by fees, sale of services or goods, or other income restricted to expenditure for specific purposes.

The IDAHO STATE BUILDING AUTHORITY accounts for construction and financing of facilities, such as office buildings and parking garages to be used by the State. The Building Authority is a blended component unit.

Combining Balance Sheet
Special Revenue Funds
June 30, 2000

	Fish and Game	Health and Welfare	Transportation	Federal
Assets				
Cash Equity with Treasurer	\$17,647,354	\$27,774,298	\$132,135,183	\$6,602,827
Cash and Cash Equivalents				
Investments	4,547,004	466,281	757,351	
Accounts Receivable, Net	168,042	16,547,116	19,842,821	55,223
Due from Other Funds		10,386	78,165	493,857
Due from Other Entities	3,247,551	87,420,281	11,006,045	12,986,931
Inventory		788,551	16,965,170	
Notes/Mortgages Receivable, Net				13,917
Other Assets	144,499	2,899		
Total Assets	\$25,754,450	\$133,009,812	\$180,784,735	\$20,152,755
Liabilities and Fund Balances				
Liabilities				
Accounts Payable and Other Liabilities	\$1,044,788	\$101,905,875	\$44,852,714	\$8,208,711
Payroll and Compensated Absences Payab	2,183,229	10,556,668	5,855,808	3,639,790
Deposits	5,500	1,952,730	738,810	
Due to Other Funds	76,106	1,944,283	305,854	414,708
Due to Other Entities				
Deferred Revenue		11,745,394	5,510,798	1,772,492
Total Liabilities	3,309,623	128,104,950	57,263,984	14,035,701
Fund Balances				
Reserved	1,348,788	884,665	63,241,145	2,055,218
Unreserved	21,096,039	4,020,197	60,279,606	4,061,836
Total Fund Balances	22,444,827	4,904,862	123,520,751	6,117,054
Total Liabilities and Fund Balances	\$25,754,450	\$133,009,812	\$180,784,735	\$20,152,755

Regulatory	Agriculture and Natural Resources	Miscellaneous	Idaho State Building Authority	Total
\$41,023,036	\$73,313,459	\$43,793,087		\$342,289,244
1,332,474	4,193,719	5,172,817	\$8,437,031	19,136,041
287,969	4,953,586	6,297,445		17,309,636
321,604	2,954,766	3,091,503		42,981,075
396		429,705		1,012,509
	2,368,204	643,292		117,672,304
	476,518	101,643		18,331,882
105,109	6,305,833			6,424,859
41,440	200,863	38,111	43,625	471,437
\$43,112,028	\$94,766,948	\$59,567,603	\$8,480,656	\$565,628,987
\$831,446	\$4,516,574	\$2,329,478	\$298,754	\$163,988,340
1,230,361	1,824,279	2,666,556		27,956,691
772,863	5,603,935	45,345		9,119,183
132,429	67,302	68,911		3,009,593
	2,893			2,893
703,124	7,185,077	1,049,283		27,966,168
3,670,223	19,200,060	6,159,573	298,754	232,042,868
413,159	11,871,871	2,870,516	5,177,321	87,862,683
39,028,646	63,695,017	50,537,514	3,004,581	245,723,436
39,441,805	75,566,888	53,408,030	8,181,902	333,586,119
\$43,112,028	\$94,766,948	\$59,567,603	\$8,480,656	\$565,628,987

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Special Revenue Funds
For the Fiscal Year Ended June 30, 2000

	Fish and Game	Health and Welfare	Transportation	Federal
Revenues				
Sales Tax		\$5,200,000		
Other Taxes		15,638,254	\$244,304,607	
Licenses, Permits, and Fees	\$27,595,858	5,443,837	67,234,516	\$141,000
Sale of Services, Goods, and Property	578,441	39,841,212	8,689,858	417,968
Grants and Contributions	22,607,058	638,580,571	168,991,545	224,472,300
Interest and Other Investment Income	1,017,244	498,153	6,597,571	120,012
Rent and Lease Income	81,900	93,028	511,627	389
Miscellaneous Income	2,239,340	14,732,025	520,695	26,738
Net Inc (Dec) in Fair Value of Investme	(109,451)			
Total Revenues	54,010,390	720,027,080	496,850,419	225,178,407
Expenditures				
Current				
General Government		30,620,784		240,264
Public Safety and Correction				17,069,968
Agriculture and Economic Developmen	100,000			55,053,340
Natural Resources	42,746,753	26,734,668		3,338,487
Health		756,253,675		749
Public Education				7,700,658
Human Services		140,057,240		866,032
Transportation			249,498,199	
Capital Outlay	5,177,369	5,417,281	229,940,706	6,541,001
Intergovernmental		32,515,740	3,260,831	132,269,008
Total Expenditures	48,024,122	991,599,388	482,699,736	223,079,507
Revenues Over (Under) Expenditures	5,986,268	(271,572,308)	14,150,683	2,098,900
Other Financing Sources (Uses)				
Operating Transfers In		280,670,688	326,436	40
Operating Transfers Out		(7,497,893)	(16,898,402)	(112,033)
Total Other Financing Sources (Uses)		273,172,795	(16,571,966)	(111,993)
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	5,986,268	1,600,487	(2,421,283)	1,986,907
Fund Balances - Beginning of Year, as Adjusted	16,458,559	3,304,375	125,942,034	4,130,147
Fund Balances - End of Year	\$22,444,827	\$4,904,862	\$123,520,751	\$6,117,054

Regulatory	Agriculture and Natural Resources	Miscellaneous	Idaho State Building Authority	Total
				\$5,200,000
\$56,493,448	\$25,569,785	\$23,007,600		365,013,694
32,022,021	25,169,810	9,989,817		167,596,859
649,828	7,740,099	13,495,048		71,412,454
9,322	6,755,071	33,496,628		1,094,912,495
413,848	4,095,659	1,519,580	\$717,236	14,979,303
6,597	1,423,490	208,834	6,410,222	8,736,087
2,471,449	1,882,469	6,472,311		28,345,027
		(18,945)		(128,396)
92,066,513	72,636,383	88,170,873	7,127,458	1,756,067,523
1,365,373	674,044	7,459,420	9,297,786	49,657,671
	6,412,345	29,574,463		53,056,776
36,334,871	32,478,628	17,063,077		141,029,916
519,519	21,120,578	1,903,286		96,363,291
		669,671		756,924,095
		8,860,472		16,561,130
		151,589		141,074,861
				249,498,199
1,475,924	5,001,586	20,372,253	7,830,685	281,756,805
	6,104,959	9,727,014		183,877,552
39,695,687	71,792,140	95,781,245	17,128,471	1,969,800,296
52,370,826	844,243	(7,610,372)	(10,001,013)	(213,732,773)
	4,100,946	15,320,267		300,418,377
(48,625,124)	(93,589)	(1,359,348)		(74,586,389)
(48,625,124)	4,007,357	13,960,919		225,831,988
3,745,702	4,851,600	6,350,547	(10,001,013)	12,099,215
35,696,103	70,715,288	47,057,483	18,182,915	321,486,904
\$39,441,805	\$75,566,888	\$53,408,030	\$8,181,902	\$333,586,119

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual (Budgetary Basis) - Special Revenue Funds
For the Fiscal Year Ended June 30, 2000

	Fish and Game		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Sales Tax			
Other Taxes			
Licenses, Permits, and Fees	\$27,216,846	\$27,216,846	
Sale of Services, Goods, and Property	578,933	578,933	
Grants and Contributions	23,555,770	23,555,770	
Interest and Other Investment Income	1,016,274	1,016,274	
Rent and Lease Income	82,900	82,900	
Miscellaneous Income	2,096,828	2,096,828	
Total Revenues	54,547,551	54,547,551	
Expenditures			
General Government			
Public Safety and Correction			
Agriculture and Economic Development	100,000	100,000	
Natural Resources	58,889,170	47,748,361	\$11,140,809
Health			
Public Education			
Human Services			
Transportation			
Total Expenditures	\$58,989,170	47,848,361	\$11,140,809
Revenues Over (Under) Expenditures		6,699,190	
Other Financing Sources (Uses)			
Operating Transfers In			
Operating Transfers Out			
Total Other Financing Sources (Uses)			
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing		6,699,190	
Reconciling Items			
Changes Affected by Accrued Revenues		(537,161)	
Changes Affected by Accrued Expenditures		(175,761)	
Fund Balances - Beginning of Year, as Adjusted		16,458,559	
Fund Balances - End of Year		\$22,444,827	

Continued

Health and Welfare			Transportation		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$4,800,000	\$4,800,000				
15,414,733	15,414,733		\$240,712,511	\$240,712,511	
5,676,001	5,676,001		67,396,139	67,396,139	
39,401,674	39,401,674		7,885,991	7,885,991	
586,424,141	586,424,141		168,991,505	168,991,505	
496,762	496,762		6,597,571	6,597,571	
93,374	93,374		119,916	119,916	
13,039,160	13,039,160		491,735	491,735	
665,345,845	665,345,845		492,195,368	492,195,368	
33,232,042	30,750,929	\$2,481,113			
39,675,166	32,631,200	7,043,966			
752,330,441	727,642,968	24,687,473			
184,152,513	155,739,983	28,412,530			
			590,710,588	478,974,383	\$111,736,205
\$1,009,390,162	946,765,080	\$62,625,082	\$590,710,588	478,974,383	\$111,736,205
	(281,419,235)			13,220,985	
	280,670,688			326,436	
	(7,497,893)			(16,898,402)	
	273,172,795			(16,571,966)	
	(8,246,440)			(3,350,981)	
	54,681,235			4,655,051	
	(44,834,308)			(3,725,353)	
	3,304,375			125,942,034	
	\$4,904,862			\$123,520,751	

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual (Budgetary Basis) - Special Revenue Funds
For the Fiscal Year Ended June 30, 2000**

	Federal		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Sales Tax			
Other Taxes			
Licenses, Permits, and Fees	\$141,000	\$141,000	
Sale of Services, Goods, and Property	234,011	234,011	
Grants and Contributions	218,418,510	218,418,510	
Interest and Other Investment Income	120,012	120,012	
Rent and Lease Income	389	389	
Miscellaneous Income	131,991	131,991	
Total Revenues	219,045,913	219,045,913	
Expenditures			
General Government	264,044	242,663	\$21,381
Public Safety and Correction	33,665,851	26,839,067	6,826,784
Agriculture and Economic Development	77,487,129	69,922,858	7,564,271
Natural Resources	7,372,744	4,345,376	3,027,368
Health			
Public Education	126,174,859	114,940,550	11,234,309
Human Services	6,366,828	5,953,062	413,766
Transportation			
Total Expenditures	\$251,331,455	222,243,576	\$29,087,879
Revenues Over (Under) Expenditures		(3,197,663)	
Other Financing Sources (Uses)			
Operating Transfers In		40	
Operating Transfers Out		(112,033)	
Total Other Financing Sources (Uses)		(111,993)	
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing		(3,309,656)	
Reconciling Items			
Changes Affected by Accrued Revenues		6,132,494	
Changes Affected by Accrued Expenditures		(835,931)	
Fund Balances - Beginning of Year, as Adjusted		4,130,147	
Fund Balances - End of Year		\$6,117,054	

Continued

Regulatory			Agriculture and Natural Resources		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$56,494,103	\$56,494,103		\$25,193,581	\$25,193,581	
31,843,577	31,843,577		24,476,309	24,476,309	
639,315	639,315		7,568,570	7,568,570	
9,247	9,247		4,352,489	4,352,489	
413,845	413,845		4,147,284	4,147,284	
6,549	6,549		1,495,431	1,495,431	
2,477,053	2,477,053		1,934,457	1,934,457	
91,883,689	91,883,689		69,168,121	69,168,121	
1,364,293	1,364,293		1,967,562	644,982	\$1,322,580
36,884,398	34,624,283	\$2,260,115	8,480,612	4,532,309	3,948,303
643,333	511,132	132,201	36,567,935	32,926,593	3,641,342
			47,267,630	31,135,126	16,132,504
\$38,892,024	36,499,708	\$2,392,316	\$94,283,739	69,239,010	\$25,044,729
	55,383,981			(70,889)	
	(48,625,124)			4,100,946	
	(48,625,124)			(93,589)	
	6,758,857			4,007,357	
	182,824			3,936,468	
	(3,195,979)			3,468,262	
	35,696,103			(2,553,130)	
	\$39,441,805			70,715,288	
				\$75,566,888	

**Combining Statement Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual (Budgetary Basis) - Special Revenue Funds
For the Fiscal Year Ended June 30, 2000**

	Miscellaneous		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Sales Tax			
Other Taxes	\$19,373,820	\$19,373,820	
Licenses, Permits, and Fees	9,935,204	9,935,204	
Sale of Services, Goods, and Property	9,002,290	9,002,290	
Grants and Contributions	29,668,563	29,668,563	
Interest and Other Investment Income	1,669,031	1,669,031	
Rent and Lease Income	224,853	224,853	
Miscellaneous Income	6,390,686	6,390,686	
Total Revenues	76,264,447	76,264,447	
Expenditures			
General Government	7,769,985	7,552,799	\$217,186
Public Safety and Correction	35,854,101	31,962,789	3,891,312
Agriculture and Economic Development	24,661,605	20,052,658	4,608,947
Natural Resources	8,175,059	7,221,782	953,277
Health			
Public Education	41,640,076	27,005,494	14,634,582
Human Services	225,405	156,139	69,266
Transportation			
Total Expenditures	\$118,326,231	93,951,661	\$24,374,570
Revenues Over (Under) Expenditures		(17,687,214)	
Other Financing Sources (Uses)			
Operating Transfers In		15,320,267	
Operating Transfers Out		(1,359,348)	
Total Other Financing Sources (Uses)		13,960,919	
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing		(3,726,295)	
Reconciling Items			
Changes Affected by Accrued Revenues		11,906,426	
Changes Affected by Accrued Expenditures		(1,829,584)	
Fund Balances - Beginning of Year, as Adjusted		47,057,483	
Fund Balances - End of Year		\$53,408,030	

Idaho State Building Authority			Total		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
			\$4,800,000	\$4,800,000	
			357,188,748	357,188,748	
			166,685,076	166,685,076	
			65,310,784	65,310,784	
			1,031,420,225	1,031,420,225	
\$717,236	\$717,236		15,178,015	15,178,015	
6,410,222	6,410,222		8,433,634	8,433,634	
			26,561,910	26,561,910	
7,127,458	7,127,458		1,675,578,392	1,675,578,392	
17,128,471	17,128,471		61,726,397	57,684,137	\$4,042,260
			78,000,564	63,334,165	14,666,399
			175,701,067	157,626,392	18,074,675
			162,023,102	123,592,977	38,430,125
			752,330,441	727,642,968	24,687,473
			167,814,935	141,946,044	25,868,891
			190,744,746	161,849,184	28,895,562
			590,710,588	478,974,383	111,736,205
\$17,128,471	17,128,471		\$2,179,051,840	1,912,650,250	\$266,401,590
	(10,001,013)			(237,071,858)	
				300,418,377	
				(74,586,389)	
				225,831,988	
	(10,001,013)			(11,239,870)	
				80,489,131	
				(57,150,046)	
	18,182,915			321,486,904	
	\$8,181,902			\$333,586,119	



ENTERPRISE FUNDS account for the operations of state agencies that provide goods or services to the general public and finance their operations through user charges. The following provides a brief description of the significant enterprise funds.

CORRECTIONAL INDUSTRIES

provides employment for prisoners of the Idaho State Prison. Correctional Industries manufactures and sells a variety of items, including license plates, furniture, highway signs, printing services, dairy and meat products, and other miscellaneous products and services.

The LIQUOR DISPENSARY was established by the Legislature in 1939. The Dispensary's purpose is to conduct, license, and regulate the sale of alcoholic beverages. Funding is provided through the sale of products. A portion of the surplus from the Fund is transferred to the State's General Fund, the Public School Income Fund, and other funds as dictated by *Idaho Code*. The balance, after the above authorized transfers, is then distributed 40 percent to counties and 60 percent to cities.

The STATE LOTTERY was established by the Legislature in 1988. The State Lottery's purpose is to adopt rules and regulations governing the establishment and operation of lottery games, ensure its integrity, and to maximize the net income of the lottery for the benefit of the State. Annually the State Lottery's surplus net income is distributed evenly between state buildings and public schools.

The LOAN FUND provides loans to Idaho municipalities to make improvements to their wastewater and drinking water systems. Funds are loaned to cities and counties for construction and improvement projects. As the loans are paid back to the State, new loans are made to other cities and counties.

Combining Balance Sheet
Enterprise Funds
June 30, 2000

	Correctional Industries	Liquor Dispensary	State Lottery	Loan Fund	Total
Assets					
Cash Equity with Treasurer	\$2,053,633	\$5,493,234	\$13,316,038	\$46,327,316	\$67,190,221
Cash and Cash Equivalents			226,704		226,704
Investments				679,251	679,251
Accounts Receivable, Net	525,934	43,908	622,313		1,192,155
Due from Other Funds	419,322				419,322
Inventory	1,326,737	6,053,077	1,146,956		8,526,770
Notes/Mortgages Receivable, Net				63,558,501	63,558,501
Grand Prizes Receivable			83,846,784		83,846,784
Other Assets	35,208	164,603	2,354,037	1,271,966	3,825,814
Fixed Assets, Net	1,656,318	3,090,810	5,124,188	4,320,749	14,192,065
Total Assets	\$6,017,152	\$14,845,632	\$106,637,020	\$116,157,783	\$243,657,587
Liabilities and Fund Equity					
Liabilities					
Accounts Payable and Other Liabilities	\$441,043	\$5,109,990	\$3,927,836	\$471,916	\$9,950,785
Payroll and Compensated Absences Payab	297,649	784,451	284,372	699	1,367,171
Deposits				679,251	679,251
Due to Other Funds	10,835	16,157		412	27,404
Deferred Revenue		21,533			21,533
Notes/Bonds/Contracts Payable			1,101,278	5,000,000	6,101,278
Grand Prizes Payable			83,846,784		83,846,784
Capital Leases		2,124,121			2,124,121
Total Liabilities	749,527	8,056,252	89,160,270	6,152,278	104,118,327
Fund Equity					
Retained Earnings					
Unreserved	5,267,625	6,789,380	17,476,750	110,005,505	139,539,260
Total Fund Equity	5,267,625	6,789,380	17,476,750	110,005,505	139,539,260
Total Liabilities and Fund Equity	\$6,017,152	\$14,845,632	\$106,637,020	\$116,157,783	\$243,657,587

**Combining Statement of Revenues, Expenses, and Changes in
Retained Earnings - Enterprise Funds
For the Fiscal Year Ended June 30, 2000**

	Correctional Industries	Liquor Dispensary	State Lottery	Loan Fund	Total
Operating Revenues					
Licenses, Permits, and Fees		\$1,450		\$142,621	\$144,071
Sale of Services, Goods, and Property	\$7,104,746	65,543,557	\$86,507,904	10,000	159,166,207
Contributions and Other Additions				14,552,850	14,552,850
Interest and Other Investment Income				1,880,050	1,880,050
Miscellaneous Income	57,502	39,218	610,555	85,333	792,608
Total Operating Revenues	7,162,248	65,584,225	87,118,459	16,670,854	176,535,786
Operating Expenses					
Personnel Costs	2,033,488	5,763,959	2,115,535	10,616	9,923,598
Services	172,613	443,225	10,085,647	33,802	10,735,287
Travel	15,318	62,837			78,155
Supplies	4,320,157	35,842,564	2,425,861	343,702	42,932,284
Insurance, Utilities, and Rent	310,058	1,664,061	982,985	542	2,957,646
Miscellaneous	57,452	1,539,479	719,399	318	2,316,648
Depreciation	234,691	152,504	1,595,542		1,982,737
Awards and Claims			50,953,594		50,953,594
Payment as Agent		10,596,672		101,902	10,698,574
Total Operating Expenses	7,143,777	56,065,301	68,878,563	490,882	132,578,523
Operating Income (Loss)	18,471	9,518,924	18,239,896	16,179,972	43,957,263
Nonoperating Revenues (Expenses)					
Interest Income	116,285	363,370		2,145,561	2,625,216
Interest Expense		(25,532)			(25,532)
Gain on Disposition of Fixed Assets		1,921			1,921
Loss on Disposition of Fixed Assets		(3,401)			(3,401)
Total Nonoperating Revenues (Expenses)	116,285	336,358		2,145,561	2,598,204
Income (Loss) Before Operating Transfers	134,756	9,855,282	18,239,896	18,325,533	46,555,467
Operating Transfers In				4,700,000	4,700,000
Operating Transfers Out		(9,295,000)	(20,600,000)		(29,895,000)
Net Income (Loss)	134,756	560,282	(2,360,104)	23,025,533	21,360,467
Beginning Retained Earnings, as Adjusted	5,132,869	6,229,098	19,836,854	86,979,972	118,178,793
Ending Retained Earnings	\$5,267,625	\$6,789,380	\$17,476,750	\$110,005,505	\$139,539,260

Combining Statement of Cash Flows
Enterprise Funds
For the Fiscal Year Ended June 30, 2000

	Correctional Industries	Liquor Dispensary	State Lottery
Increase (Decrease) in Cash, Cash Equivalents, and Cash Equity with Treasurer			
Cash Flows from Operating Activities			
Receipts from Customers, Loan Interest, and Fees	\$1,530,870	\$65,581,417	\$89,316,264
Receipts from State Agency Customers	5,854,070		
Payments to Suppliers	(5,415,702)	(40,091,562)	(16,088,586)
Payments to Employees for Services and Benefits	(2,023,196)	(5,677,219)	(2,053,213)
Payments to State Agency Suppliers	(61,027)	(198,110)	
Payments of Awards and Claims			(50,953,594)
Payments as Agent		(13,311,894)	
Net Cash Provided (Used) by Operating Activities	(114,985)	6,302,632	20,220,871
Cash Flows from Noncapital Financing Activities			
Operating Transfers In			
Operating Transfers Out		(9,295,000)	(20,600,000)
Interest Paid		(319,936)	
Net Cash Provided (Used) by Noncapital Financing Activities		(9,614,936)	(20,600,000)
Cash Flows from Capital and Related Financing Activities			
Proceeds from Disposition of Capital Assets		1,921	
Acquisition and Construction of Capital Assets	(445,173)	(97,299)	(1,917,708)
Net Cash Provided (Used) by Capital and Related Financing Activities	(445,173)	(95,378)	(1,917,708)
Cash Flows from Investing Activities			
Receipt of Interest and Dividends	116,285	363,370	
Other Investing Activities			115,249
Net Cash Provided (Used) by Investing Activities	116,285	363,370	115,249
Net Increase (Decrease) in Cash, Cash Equivalents, and Cash Equity with Treasurer	(443,873)	(3,044,312)	(2,181,588)
Beginning Cash, Cash Equivalents, and Cash Equity with Treasurer, as Adjusted	2,497,506	8,537,546	15,724,330
Ending Cash, Cash Equivalents, and Cash Equity with Treasurer	\$2,053,633	\$5,493,234	\$13,542,742

Continued

Loan Fund	Total
\$18,239,065	\$174,667,616
10,000	5,864,070
(18,945,782)	(80,541,632)
(10,406)	(9,764,034)
(1,754)	(260,891)
(67,918)	(51,021,512)
(33,984)	(13,345,878)
(810,779)	25,597,739
4,700,000	4,700,000
	(29,895,000)
	(319,936)
4,700,000	(25,514,936)
	1,921
	(2,460,180)
	(2,458,259)
2,125,353	2,605,008
	115,249
2,125,353	2,720,257
6,014,574	344,801
40,312,742	67,072,124
\$46,327,316	\$67,416,925

	Correctional Industries	Liquor Dispensary	State Lottery
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$18,471	\$9,518,924	\$18,239,896
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Depreciation	234,691	152,504	1,595,542
Interest and Investment Income			
Interest Expense		294,404	
(Increase) Decrease in Accounts Receivable, Net	(315,452)	(2,807)	2,197,805
(Increase) Decrease in Notes/Mortgages Receivable			
(Increase) Decrease in Grand Prize Receivables			3,608,740
(Increase) Decrease in Inventory		(355,749)	(204,807)
(Increase) Decrease in Other Assets	(80,619)	(29,191)	(123,980)
Increase (Decrease) in Accounts Payable and Other Liabilities	14,806	(3,311,557)	(1,545,907)
Increase (Decrease) in Grand Prizes Payable			(3,608,740)
Increase (Decrease) in Deferred Revenue		8,910	
Increase (Decrease) in Due to Other Funds		(48,547)	
Increase (Decrease) in Deposits		(11,000)	
Increase (Decrease) in Payroll and Compensated Absences	13,118	86,741	62,322
Total Adjustments	(133,456)	(3,216,292)	1,980,975
Net Cash Provided (Used) by Operating Activities	(\$114,985)	\$6,302,632	\$20,220,871

Noncash Transactions:

Noncash transactions are investing and financing activities that affect assets and liabilities but do not result in cash receipts or payments. The following noncash transaction occurred during the year: The State Lottery reported accretion of grand prize annuities receivable from the Multi-State Lottery Association, with a corresponding increase in the Grand Prizes Payable, totaling \$5,761,260 for the current fiscal year.



INTERNAL SERVICE FUNDS account for the operation of state agencies, which provide goods or services to other state agencies and other governmental units on a cost reimbursement basis. The following provides a brief description of operations included in these significant internal service funds.

The GENERAL SERVICES FUND

accounts for statewide auditing, human resources, treasury services, surplus property redistribution and sale, copying services, purchasing, mail services for state agencies, and voice and data communication services.

The DATA PROCESSING SERVICES

FUND accounts for data processing services provided by the Office of the State Controller to the various state agencies. In addition, the State Department of Education provides data processing services to local school districts and some state agencies.

The GROUP INSURANCE FUND

administers the Group Insurance Act by providing health insurance to all state employees and optional coverage for dependents and retirees. The Fund also provides life insurance and short-term and long-term disability coverage.

The RISK MANAGEMENT FUND

accounts for insurance coverage and loss prevention to all state agencies. Coverage is provided using an optimal combination of self-insurance and private excess insurance.

Combining Balance Sheet

Internal Service Funds

June 30, 2000

	General Services	Data Processing Services	Group Insurance	Risk Management	Total
Assets					
Cash Equity with Treasurer	\$3,557,430	\$511,927	\$44,179,438	\$20,148,773	\$68,397,568
Accounts Receivable, Net	252,551	1,538		394,811	648,900
Due from Other Funds	1,219,633	1,537,222		151,808	2,908,663
Inventory	632,913				632,913
Other Assets	207,901	1,703,900		45,599	1,957,400
Fixed Assets, Net	6,004,125	831,737	11,314		6,847,176
Total Assets	\$11,874,553	\$4,586,324	\$44,190,752	\$20,740,991	\$81,392,620
Liabilities and Fund Equity					
Liabilities					
Accounts Payable and Other Liabilities	\$692,342		\$844,940	\$310,561	\$1,847,843
Payroll and Compensated Absences Payab	1,923,073	\$369,875	20,135	30,201	2,343,284
Deposits	5,227				5,227
Due to Other Funds	220,443	3,917	4,089	19,241	247,690
Deferred Revenue	108,250		6,035,661		6,143,911
Policy Claim Liabilities			15,080,000	13,169,212	28,249,212
Capital Leases	29,574				29,574
Total Liabilities	2,978,909	373,792	21,984,825	13,529,215	38,866,741
Fund Equity					
Contributed Capital	2,962,307	19,540			2,981,847
Retained Earnings					
Reserved			12,110,873		12,110,873
Unreserved	5,933,337	4,192,992	10,095,054	7,211,776	27,433,159
Total Fund Equity	8,895,644	4,212,532	22,205,927	7,211,776	42,525,879
Total Liabilities and Fund Equity	\$11,874,553	\$4,586,324	\$44,190,752	\$20,740,991	\$81,392,620

**Combining Statement of Revenues, Expenses, and Changes in
Retained Earnings - Internal Service Funds
For the Fiscal Year Ended June 30, 2000**

	General Services	Data Processing Services	Group Insurance	Risk Management	Total
Operating Revenues					
Sale of Services, Goods, and Property	\$21,020,783	\$7,041,721	\$93,870,093	\$6,069,292	\$128,001,889
Contributions and Other Additions	487,500				487,500
Rent and Lease Income	5,428,165				5,428,165
Miscellaneous Income	228,698		2,483,557	276,024	2,988,279
Total Operating Revenues	27,165,146	7,041,721	96,353,650	6,345,316	136,905,833
Operating Expenses					
Personnel Costs	13,891,768	3,137,956	193,742	288,957	17,512,423
Services	7,749,239	1,606,059	211,289	83,394	9,649,981
Travel	145,962	74,008	114	4,033	224,117
Supplies	1,349,554	214,838	86,283	11,026	1,661,701
Insurance, Utilities, and Rent	1,827,208	8,541	34,393	1,160,143	3,030,285
Miscellaneous	1,060,292	23,249	46,164	103,440	1,233,145
Depreciation	943,715	903,893	3,252		1,850,860
Awards and Claims			91,473,128	1,756,326	93,229,454
Total Operating Expenses	26,967,738	5,968,544	92,048,365	3,407,319	128,391,966
Operating Income (Loss)	197,408	1,073,177	4,305,285	2,937,997	8,513,867
Nonoperating Revenues (Expenses)					
Interest Income	281,374	66,520	2,135,703	1,033,294	3,516,891
Interest Expense	(6,274)				(6,274)
Gain on Disposition of Fixed Assets	11,669	1,200			12,869
Loss on Disposition of Fixed Assets		(56,224)			(56,224)
Total Nonoperating Revenues (Expenses)	286,769	11,496	2,135,703	1,033,294	3,467,262
Income (Loss) Before Operating Transfers	484,177	1,084,673	6,440,988	3,971,291	11,981,129
Operating Transfers In	2,720		84,446		87,166
Operating Transfers Out	(755,960)		(2,720)		(758,680)
Net Income (Loss)	(269,063)	1,084,673	6,522,714	3,971,291	11,309,615
Beginning Retained Earnings, as Adjusted	6,202,400	3,108,319	15,683,213	3,240,485	28,234,417
Ending Retained Earnings	\$5,933,337	\$4,192,992	\$22,205,927	\$7,211,776	\$39,544,032

Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2000

	General Services	Data Processing Services	Group Insurance
Increase (Decrease) in Cash Equity with Treasurer			
Cash Flows from Operating Activities			
Receipts from Customers, Loan Interest, and Fees	\$4,037,321		\$2,483,557
Receipts from State Agency Customers	22,365,140	\$6,340,486	94,608,484
Payments to Suppliers	(10,251,187)	(2,485,400)	(293,225)
Payments to Employees for Services and Benefits	(13,629,942)	(3,085,025)	(191,881)
Payments to State Agency Suppliers	(1,413,046)	(85,103)	(83,018)
Payments of Awards and Claims			(96,810,454)
Net Cash Provided (Used) by Operating Activities	1,108,286	684,958	(286,537)
Cash Flows from Noncapital Financing Activities			
Operating Transfers In	2,720		84,446
Operating Transfers Out	(755,960)		(2,720)
Interest Paid	(4,310)		
Net Cash Provided (Used) by Noncapital Financing Activities	(757,550)		81,726
Cash Flows from Capital and Related Financing Act			
Proceeds from Disposition of Capital Assets	528	1,200	
Acquisition and Construction of Capital Assets	(858,570)	(619,759)	
Net Cash Provided (Used) by Capital and Related Financing Activities	(858,042)	(618,559)	
Cash Flows from Investing Activities			
Receipt of Interest and Dividends	281,374	66,520	2,135,703
Net Cash Provided (Used) by Investing Activities	281,374	66,520	2,135,703
Net Increase (Decrease) in Cash Equity with Treasurer	(225,932)	132,919	1,930,892
Beginning Cash Equity with Treasurer	3,783,362	379,008	42,248,546
Ending Cash Equity with Treasurer	\$3,557,430	\$511,927	\$44,179,438

Continued

Risk Management	Total
\$370,435	\$6,891,313
6,243,220	129,557,330
(1,367,040)	(14,396,852)
(291,411)	(17,198,259)
(87,554)	(1,668,721)
(2,936,865)	(99,747,319)
1,930,785	3,437,492
	87,166
	(758,680)
	(4,310)
	(675,824)
	1,728
	(1,478,329)
	(1,476,601)
1,033,294	3,516,891
1,033,294	3,516,891
2,964,079	4,801,958
17,184,694	63,595,610
\$20,148,773	\$68,397,568

Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2000

	General Services	Data Processing Services	Group Insurance
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$197,408	\$1,073,177	\$4,305,285
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Depreciation	943,715	903,893	3,252
Interest Expense	(1,964)		
(Increase) Decrease in Accounts Receivable, Net	(87,638)	8,038	216
(Increase) Decrease in Due from Other Funds	(431,094)	(701,364)	8
(Increase) Decrease in Inventory	59,892		
(Increase) Decrease in Other Assets	68,344	(545,436)	
Increase (Decrease) in Accounts Payable and Other Liabilities	123,303	(10,352)	(603,430)
Increase (Decrease) in Deferred Revenue	(41,536)	(7,910)	738,124
Increase (Decrease) in Due to Other Funds	10,803	(17,060)	2,747
Increase (Decrease) in Deposits	5,227		
Increase (Decrease) in Payroll and Compensated Absences	261,826	(18,028)	1,861
Increase (Decrease) in Policy Claim Liabilities			(4,734,600)
Total Adjustments	910,878	(388,219)	(4,591,822)
Net Cash Provided (Used) by Operating Activities	\$1,108,286	\$684,958	(\$286,537)

Risk Management	Total
\$2,937,997	\$8,513,867
	1,850,860
	(1,964)
213,285	133,901
55,056	(1,077,394)
	59,892
14,851	(462,241)
181,898	(308,581)
	688,678
(129,734)	(133,244)
	5,227
(2,454)	243,205
(1,340,114)	(6,074,714)
(1,007,212)	(5,076,375)
\$1,930,785	\$3,437,492



TRUST AND AGENCY FUNDS are fiduciary in nature and are maintained to account for assets held by the State acting in the capacity as trustee or agent. The following provides a brief description of the State's significant trust and agency funds.

The TRUST FUNDS:

The EXPENDABLE TRUST FUND

pays claims for unemployment to eligible recipients through employer contributions, employer reimbursements, and federal grants.

The INVESTMENT TRUST FUND

is used to account for the investments of external participants in the Joint Exercise of Powers.

The NONEXPENDABLE TRUST

FUNDS account for land grants and the sale or lease of such lands received from the federal *Enabling Act*. The principal in the fund is perpetual with the earnings used to support education, mental health, corrections, and public buildings.

The PENSION TRUST FUNDS account for transactions, assets, liabilities, and net assets available for plan benefits of the State's retirement systems.

The AGENCY FUNDS:

Other Custodial accounts for the receipts and disbursements of monies collected by the State and distributed to other entities. This includes deposits of securities by banks and insurance companies doing business in the State.

Payroll accounts for state and federal withholding, social security taxes, and voluntary employee deductions related to the State's payroll.

The Sick Leave/Insurance Reserve Fund provides payment of postretirement health insurance premiums on behalf of school districts in Idaho based on unused accumulated sick leave at their retirement date. The Fund accounts for the receipts and disbursements related to the above.

**Combining Balance Sheet
Trust and Agency Funds
June 30, 2000**

	Expendable Trust Fund	Investment Trust Fund		
	Unemployment Compensation	Joint Exercise of Powers	Nonexpendable Trust Funds	Pension Trust Funds
Assets				
Cash Equity with Treasurer	\$20,979,512	\$110,798,149		\$1,689,068
Cash and Cash Equivalents	254,489,203			1,126,223
Investments	63,463,122	493,330,653	\$803,858,395	7,364,058,484
Accounts Receivable, Net	32,234,553		5,949,124	13,040,250
Notes/Mortgages Receivable, Net			1,662,001	
Other Assets	360,202	8,153,231	24,610	1,598,316,938
Fixed Assets, Net			2,473,047	8,332,412
Total Assets	\$371,526,592	\$612,282,033	\$813,967,177	\$8,986,563,375
Liabilities and Fund Balances				
Liabilities				
Accounts Payable and Other Liabilities	\$1,363,468			\$1,633,568,130
Payroll and Compensated Absences Paya				
Deposits				
Due to Other Entities				
Deferred Revenue	8,185,275			
Total Liabilities	9,548,743			1,633,568,130
Fund Balances				
Reserved		\$612,282,033	\$813,967,177	7,352,995,245
Unreserved	361,977,849			
Total Fund Balances	361,977,849	612,282,033	813,967,177	7,352,995,245
Total Liabilities and Fund Balances	\$371,526,592	\$612,282,033	\$813,967,177	\$8,986,563,375

Agency Funds	Total
\$22,583,868	\$156,050,597
2,071,268	257,686,694
218,199,663	8,942,910,317
768,661	51,992,588
	1,662,001
37,034	1,606,892,015
	10,805,459
<u>\$243,660,494</u>	<u>11,027,999,671</u>

\$6,389,229	\$1,641,320,827
14,657	14,657
160,843,265	160,843,265
76,413,343	76,413,343
	8,185,275
<u>243,660,494</u>	<u>1,886,777,367</u>

	8,779,244,455
	361,977,849
	<u>9,141,222,304</u>
<u>\$243,660,494</u>	<u>11,027,999,671</u>

Combining Balance Sheet
Nonexpendable Trust Funds
June 30, 2000

	Public School Endowment	Pooled Endowments	Total Endowment
Assets			
Investments	\$550,254,692	\$253,603,703	\$803,858,395
Accounts Receivable, Net	4,180,859	1,768,265	5,949,124
Notes/Mortgages Receivable, Net	1,511,460	150,541	1,662,001
Other Assets	7,739	16,871	24,610
Fixed Assets, Net	2,104,445	368,602	2,473,047
Total Assets	\$558,059,195	\$255,907,982	\$813,967,177
Fund Balances			
Reserved	558,059,195	255,907,982	813,967,177
Total Fund Balances	558,059,195	255,907,982	813,967,177
Total Liabilities and Fund Balances	\$558,059,195	\$255,907,982	\$813,967,177

Combining Statement of Revenues, Expenses, and Changes in Fund Balances
Nonexpendable Trust Funds
For the Fiscal Year Ended June 30, 2000

	Public School Endowment	Pooled Endowments	Total Endowment
Operating Revenues			
Sale of Services, Goods, and Property	\$35,933,471	\$19,781,633	\$55,715,104
Total Operating Revenues	35,933,471	19,781,633	55,715,104
Operating Income (Loss)	35,933,471	19,781,633	55,715,104
Nonoperating Revenues (Expenses)			
Net Inc (Dec) in Fair Value of Investments	(7,217,263)	(3,280,412)	(10,497,675)
Total Nonoperating Revenues (Expenses)	(7,217,263)	(3,280,412)	(10,497,675)
Net Income (Loss)	28,716,208	16,501,221	45,217,429
Fund Balances - Beginning of Year	529,342,987	239,406,761	768,749,748
Fund Balances - End of Year	\$558,059,195	\$255,907,982	\$813,967,177

Combining Balance Sheet
Expendable Trust Funds
June 30, 2000

	Unemployment Compensation	Joint Exercise of Powers	Total
Assets			
Cash Equity with Treasurer	\$20,979,512	\$110,798,149	\$131,777,661
Cash and Cash Equivalents	254,489,203		254,489,203
Investments	63,463,122	493,330,653	556,793,775
Accounts Receivable, Net	32,234,553		32,234,553
Other Assets	360,202	8,153,231	8,513,433
Total Assets	\$371,526,592	\$612,282,033	\$983,808,625
Liabilities and Fund Balances			
Liabilities			
Accounts Payable and Other Liabilities	\$1,363,468		\$1,363,468
Payroll and Compensated Absences Payable			
Deposits			
Due to Other Entities			
Deferred Revenue	8,185,275		8,185,275
Total Liabilities	9,548,743		9,548,743
Fund Balances			
Reserved		\$612,282,033	612,282,033
Unreserved	361,977,849		361,977,849
Total Fund Balances	361,977,849	612,282,033	974,259,882
Total Liabilities and Fund Balances	\$371,526,592	\$612,282,033	\$983,808,625

	Public School Endowment	Pooled Endowments	Total Endowment
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$35,933,471	\$19,781,633	\$55,715,104
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
(Increase) Decrease in Accounts Receivable, Net	(1,048,404)	(834,189)	(1,882,593)
(Increase) Decrease in Notes/Mortgages Receivable	834,928	99,471	934,399
Total Adjustments	(213,476)	(734,718)	(948,194)
Net Cash Provided (Used) by Operating Activities	\$35,719,995	\$19,046,915	\$54,766,910

Noncash Transactions:

Noncash transactions are investing and financing activities that affect assets and liabilities but do not result in cash receipts or payments. The Public School Endowment fund reported an unrealized loss of \$679,973, and the Pooled Endowments reported an unrealized gain of \$1,860,904 due to investing activities.

Combining Statement of Plan Net Assets
Pension Trust Funds
June 30, 2000

	Public Employee Retirement System of Idaho Plan	Firemen's Retirement Fund	Idaho Super Saver - 401(k) Plan
Assets			
Cash Equity with Treasurer	\$1,518,297		
Cash and Cash Equivalents	1,046,817	\$79,406	
Investments	7,066,582,466	218,753,346	\$20,900,925
Accounts Receivable, Net	12,353,425	524,955	
Other Assets	1,550,693,948	47,331,216	
Fixed Assets, Net	8,332,412		
Total Assets	\$8,640,527,365	\$266,688,923	\$20,900,925
Liabilities			
Accounts Payable and Other Liabilities	\$1,584,703,154	\$48,864,976	
Total Liabilities	1,584,703,154	48,864,976	
Net Assets Held in Trust for Employees' Pension B	\$7,055,824,211	\$217,823,947	\$20,900,925

Judges' Retirement Fund	Total
\$170,771	\$1,689,068
	1,126,223
57,821,747	7,364,058,484
161,870	13,040,250
291,774	1,598,316,938
	8,332,412
\$58,446,162	\$8,986,563,375
	\$1,633,568,130
	1,633,568,130
\$58,446,162	\$7,352,995,245

Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2000

	Balance July 1, 1999	Additions	Deductions	Balance June 30,
Other Custodial				
Assets				
Cash Equity with Treasurer	\$22,492,166	\$185,069,511	\$185,353,085	\$22,208,592
Cash and Cash Equivalents	1,277,159	2,058,314	1,277,159	2,058,314
Investments	119,165,242	149,048,433	125,302,959	142,910,716
Other Assets		74,068	37,034	37,034
Total Assets	\$142,934,567	\$336,250,326	\$311,970,237	\$167,214,656
Liabilities				
Accounts Payable and Other Liabilities	\$5,792,818	\$20,311,208	\$20,084,921	\$6,019,105
Deposits	137,038,972	148,994,425	125,190,132	160,843,265
Due to Other Entities	102,777	5,142,197	4,892,688	352,286
Total Liabilities	\$142,934,567	\$174,447,830	\$150,167,741	\$167,214,656
Payroll				
Assets				
Cash Equity with Treasurer	\$450,859	\$1,001,189,374	\$1,001,264,957	\$375,276
Total Assets	\$450,859	\$1,001,189,374	\$1,001,264,957	\$375,276
Liabilities				
Accounts Payable and Other Liabilities	\$434,442	\$128,237,391	\$128,311,214	\$360,619
Payroll and Compensated Absences Payable	16,417	874,642,752	874,644,512	14,657
Total Liabilities	\$450,859	\$1,002,880,143	\$1,002,955,726	\$375,276
Sick Leave/Insurance Reserve				
Assets				
Cash and Cash Equivalents	\$11,851	\$9,116,441	\$9,115,338	\$12,954
Investments	65,950,667	9,338,280		75,288,947
Accounts Receivable, Net	724,963	9,143,964	9,100,266	768,661
Total Assets	\$66,687,481	\$27,598,685	\$18,215,604	\$76,070,562
Liabilities				
Accounts Payable and Other Liabilities	\$8,854	\$50,298	\$49,647	\$9,505
Due to Other Entities	66,678,627	13,133,548	3,751,118	76,061,057
Total Liabilities	\$66,687,481	\$13,183,846	\$3,800,765	\$76,070,562

	Balance July 1, 1999	Additions	Deductions	Balance June 30,
Total for all Agency Funds				
Assets				
Cash Equity with Treasurer	\$22,943,025	\$1,186,258,885	\$1,186,618,042	\$22,583,868
Cash and Cash Equivalents	1,289,010	11,174,755	10,392,497	2,071,268
Investments	185,115,909	158,386,713	125,302,959	218,199,663
Accounts Receivable, Net	724,963	9,143,964	9,100,266	768,661
Other Assets		74,068	37,034	37,034
Total Assets	\$210,072,907	\$1,365,038,385	\$1,331,450,798	\$243,660,494
Liabilities				
Accounts Payable and Other Liabilities	\$6,236,114	\$148,598,897	\$148,445,782	\$6,389,229
Payroll and Compensated Absences Payable	16,417	874,642,752	874,644,512	14,657
Deposits	137,038,972	148,994,425	125,190,132	160,843,265
Due to Other Entities	66,781,404	18,275,745	8,643,806	76,413,343
Total Liabilities	\$210,072,907	\$1,190,511,819	\$1,156,924,232	\$243,660,494



ALL COLLEGE AND UNIVERSITY FUNDS account for the financial position and operations of the State's colleges and universities in accordance with existing authoritative accounting and reporting principles as prescribed in the AICPA Industry Guide. Accordingly, college and university funds are an aggregation of the following funds:

The CURRENT FUNDS account for resources that will be expended for performing the primary and support objectives of the institution, i.e., instruction, academic support, student services, institutional support, operations and maintenance of plant, scholarships and fellowships, and auxiliary activities.

STUDENT LOAN FUNDS account for transactions of related resources obtained and used for loans to students.

ENDOWMENT FUNDS account for resources held by the institutions that must be administered in accordance with trust agreements.

PLANT FUNDS account for resources available for acquisition, renewal and replacement of institutional properties, resources available to service debt incurred to acquire such properties, and the fixed assets acquired or constructed for use by the institutions.

AGENCY FUNDS account for amounts held in custody for students, institution-related organizations, and others.

Combining Balance Sheet
All College and University Funds
June 30, 2000

	Current Funds			Student Loan
	Unrestricted	Auxiliary	Restricted	
Assets				
Cash and Cash Equivalents	\$26,698,900	\$15,829,383	(\$2,693,461)	\$1,869,890
Investments	30,788,818	432,975		1,048,672
Accounts Receivable, Net	22,902,566	2,923,453	23,105,684	191,987
Due from Other Funds	7,520,163	1,479,966	1,700,141	108,347
Deferred Bond Financing Costs				
Notes/Mortgages Receivable, Net				21,241,061
Other Assets	7,173,112	2,838,575	43,081	432,222
Fixed Assets, Net				
Total Assets	\$95,083,559	\$23,504,352	\$22,155,445	\$24,892,179
Liabilities and Fund Balances				
Liabilities				
Accounts Payable and Other Liabilities	\$40,213,973	\$3,828,190	\$9,150,857	\$42
Deposits	2,146	621,243		142,816
Due to Other Funds	4,576,471	212,474	5,731,102	12,445
Deferred Revenue	7,737,397	1,897,916		
Notes/Bonds/Contracts Payable				
Capital Leases				
Total Liabilities	52,529,987	6,559,823	14,881,959	155,303
Fund Balances				
Investment in General Fixed Assets				
Reserved				24,736,876
Unreserved	42,553,572	16,944,529	7,273,486	
Total Fund Balances	42,553,572	16,944,529	7,273,486	24,736,876
Total Liabilities and Fund Balances	\$95,083,559	\$23,504,352	\$22,155,445	\$24,892,179

Endowment	Plant	Agency	Total
\$2,222,214	\$38,452,077	\$1,025,761	\$83,404,764
75,033,764	31,316,936	14,957,961	153,579,126
6,478	14,620	482,515	49,627,303
	2,496,500	220	13,305,337
	4,702,712		4,702,712
1,495,254			22,736,315
1,706,952	387,052		12,580,994
	956,955,485		956,955,485
\$80,464,662	\$1,034,325,382	\$16,466,457	\$1,296,892,036

\$283,721	\$4,040,636	\$16,466,457	\$73,983,876
			766,205
2,549,162	223,683		13,305,337
			9,635,313
	198,373,887		198,373,887
	6,634,780		6,634,780
2,832,883	209,272,986	16,466,457	302,699,398

	795,536,894		795,536,894
77,631,779	9,947,932		112,316,587
	19,567,570		86,339,157
77,631,779	825,052,396		994,192,638
\$80,464,662	\$1,034,325,382	\$16,466,457	\$1,296,892,036



Component Units



Calumet, pipe used to commemorate relations between Indians and Lewis and Clark.
Peabody Museum of Archaeology and Ethnology, Harvard University
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The **DISCRETELY PRESENTED COMPONENT UNITS – PROPRIETARY FUNDS** are organizations, which are legally separate from the State of Idaho for which the State is financially accountable, or for which the nature and significance of their relationship with the State are such that exclusion would cause the State's financial statements to be misleading or incomplete.

The **IDAHO HOUSING and FINANCE ASSOCIATION** is empowered by *Idaho Code*, Title 67, Chapter 62, to issue notes and bonds in furtherance of its purpose of providing safe and sanitary housing for persons of limited income residing in the State of Idaho.

The **PETROLEUM CLEAN WATER TRUST FUND** per *Idaho Code*, Title 41, Chapter 49, provides pollution liability insurance to eligible owners and operators of petroleum storage tanks.

The **IDAHO LIFE and HEALTH INSURANCE GUARANTY ASSOCIATION** per *Idaho Code*, Title 41, Chapter 43, is a nonprofit organization formed by the *Idaho Life and Health Insurance Guaranty Association Act* of 1977. The Act was passed to provide a mechanism for the payment of covered claims under certain insurance policies where the insurer becomes insolvent. The Act applies to direct and supplemental life and health policies and annuity contracts. All insurance companies, which sell the type of insurance covered under the Act, are required to be members of the Association as a condition of their authority to transact insurance business in Idaho.

Combining Balance Sheet

Discretely Presented Component Units - Proprietary Funds

June 30, 2000

	Idaho Housing and Finance	Idaho Life and Health Insurance Guaranty Association	Petroleum Clean Water Trust Fund	Total
Assets				
Cash Equity with Treasurer			\$3,362,417	\$3,362,417
Cash and Cash Equivalents	\$30,694,000	\$264,993		30,958,993
Investments	381,180,000	8,224,153	39,428,799	428,832,952
Deferred Bond Financing Costs	19,030,000			19,030,000
Notes/Mortgages Receivable, Net	1,361,055,000			1,361,055,000
Other Assets	3,546,000	84,767	299,279	3,930,046
Fixed Assets, Net	7,469,000		24,262	7,493,262
Total Assets	\$1,802,974,000	\$8,573,913	\$43,114,757	\$1,854,662,670
Liabilities and Fund Equity				
Liabilities				
Accounts Payable and Other Liabilities	\$6,888,000	\$344,275	\$2,087,118	\$9,319,393
Deposits	14,961,000			14,961,000
Deferred Revenue		4,970		4,970
Notes/Bonds/Contracts Payable	1,635,221,000			1,635,221,000
Policy Claim Liabilities		20,067	4,569,690	4,589,757
Total Liabilities	1,657,070,000	369,312	6,656,808	1,664,096,120
Fund Equity				
Retained Earnings				
Reserved	57,150,000			57,150,000
Unreserved	88,754,000	8,204,601	36,457,949	133,416,550
Total Fund Equity	145,904,000	8,204,601	36,457,949	190,566,550
Total Liabilities and Fund Equity	\$1,802,974,000	\$8,573,913	\$43,114,757	\$1,854,662,670

Combining Statement of Revenues, Expenses, and Changes in Retained Earnings
Discretely Presented Component Units - Proprietary Funds
For the Fiscal Year Ended June 30, 2000

	Idaho Housing and Finance	Idaho Life and Health Insurance Guaranty Association	Petroleum Clean Water Trust Fund	Total
Operating Revenues				
Licenses, Permits, and Fees	\$7,406,000		\$1,669,715	\$9,075,715
Sale of Services, Goods, and Property		\$43,332		43,332
Interest and Other Investment Income	83,688,000			83,688,000
Miscellaneous Income	646,000	1,123,961	92,527	1,862,488
Total Operating Revenues	91,740,000	1,167,293	1,762,242	94,669,535
Operating Expenses				
Personnel Costs	4,643,000	100,684		4,743,684
Services	3,286,000	60,328	2,137,416	5,483,744
Insurance, Utilities, and Rent		11,775		11,775
Miscellaneous	726,000	2,675,321		3,401,321
Depreciation	1,395,000	496	5,601	1,401,097
Awards and Claims		119,124	2,787,669	2,906,793
Total Operating Expenses	10,050,000	2,967,728	4,930,686	17,948,414
Operating Income (Loss)	81,690,000	(1,800,435)	(3,168,444)	76,721,121
Nonoperating Revenues (Expenses)				
Interest Income		570,568		570,568
Investment Income	18,689,000	60,972	2,682,824	21,432,796
Net Inc (Dec) in Fair Value of Investments	(2,027,000)	(189,879)	(332,622)	(2,549,501)
Interest Expense	(87,004,000)			(87,004,000)
Other	(1,827,000)			(1,827,000)
Total Nonoperating Revenues (Expenses)	(72,169,000)	441,661	2,350,202	(69,377,137)
Net Income (Loss)	9,521,000	(1,358,774)	(818,242)	7,343,984
Beginning Retained Earnings	136,383,000	9,563,375	37,276,191	183,222,566
Ending Retained Earnings	\$145,904,000	\$8,204,601	\$36,457,949	\$190,566,550

Combining Statement of Cash Flows
Discretely Presented Component Units - Proprietary Funds
For the Fiscal Year Ended June 30, 2000

	Idaho Housing and Finance	Idaho Life and Health Insurance Guaranty Association	Petroleum Clean Water Trust Fund	Total
Increase (Decrease) in Cash, Cash Equivalents, and Cash Equity with Treasurer				
Cash Flows from Operating Activities				
Receipts from Customers, Loan Interest, and Fees	\$89,569,000	\$1,167,911	\$1,762,242	\$92,499,153
Loan Principal Payments	123,369,000			123,369,000
Payments to Suppliers	(2,169,000)	(91,313)	(1,448,342)	(3,708,655)
Payments to Employees for Services and Benefits	(4,643,000)	(101,018)		(4,744,018)
Payments of Awards and Claims		(3,034,024)	(2,787,669)	(5,821,693)
Loan Principal Additions	(274,157,000)			(274,157,000)
Net Cash Provided (Used) by Operating Activities	(68,031,000)	(2,058,444)	(2,473,769)	(72,563,213)
Cash Flows from Noncapital Financing Activities				
Deferred Bond Financing Cost	(3,549,000)			(3,549,000)
Interest Paid	(82,548,000)			(82,548,000)
Payment of Bonds	(160,773,000)			(160,773,000)
Bonds Issued	298,230,000			298,230,000
Net Cash Provided (Used) by Noncapital Financing Activities	51,360,000			51,360,000
Cash Flows from Capital and Related Financing Activities				
Acquisition and Construction of Capital Assets	(284,000)			(284,000)
Net Cash Provided (Used) by Capital and Related Financing Activities	(284,000)			(284,000)
Cash Flows from Investing Activities				
Purchase of Investments	(1,169,269,000)	(8,293,965)	(19,235,503)	(1,196,798,468)
Redemption of Investments	1,169,531,000	7,424,000	17,311,207	1,194,266,207
Investment Income		616,199	2,685,255	3,301,454
Other Investing Activities	18,012,000			18,012,000
Net Cash Provided (Used) by Investing Activities	18,274,000	(253,766)	760,959	18,781,193
Net Increase (Decrease) in Cash, Cash Equivalents, and Cash Equity with Treasurer	1,319,000	(2,312,210)	(1,712,810)	(2,706,020)
Beginning Cash, Cash Equivalents, and Cash Equity with Treasurer	29,375,000	2,577,203	5,075,227	37,027,430
Ending Cash, Cash Equivalents, and Cash Equity with Treasurer	\$30,694,000	\$264,993	\$3,362,417	\$34,321,410

	Idaho Housing and Finance Association	Idaho Life and Health Insurance Guaranty Association	Petroleum Clean Water Trust Fund	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating Income (Loss)	\$81,690,000	(\$1,800,435)	(\$3,168,444)	\$76,721,121
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Amortization of Deferred Loan Discounts	(2,554,000)			(2,554,000)
Depreciation	1,395,000	496	5,601	1,401,097
(Increase) Decrease in Accounts Receivable, Net	(515,000)			(515,000)
(Increase) Decrease in Notes/Mortgages Receivable	123,369,000			123,369,000
(Increase) Decrease in Other Assets	1,117,000	(86)	120,110	1,237,024
(Increase) Decrease in Customer Loan Principal	(274,157,000)			(274,157,000)
Increase (Decrease) in Accounts Payable and Other Liabilities		(54,058)	251,034	196,976
Increase (Decrease) in Interest Payable	726,000			726,000
Increase (Decrease) in Deferred Revenue		704		704
Increase (Decrease) in Deposits	898,000			898,000
Increase (Decrease) in Policy Claim Liabilities		(205,065)	317,930	112,865
Total Adjustments	(149,721,000)	(258,009)	694,675	(149,284,334)
Net Cash Provided (Used) by Operating Activities	(\$68,031,000)	(\$2,058,444)	(\$2,473,769)	(\$72,563,213)



Statistical Section



Lewis and Clark River Crossing
Idaho State Historical Society



Schedule 1 - Revenues by Source

General Governmental Revenues (*in thousands*)

Fiscal Years 1993-2000

	%	2000	1999	1998	1997	1996	1995	1994	1993*
Sales Taxes	18.91%	\$761,628	\$712,314	\$663,853	\$623,960	\$605,412	\$575,752	\$541,503	\$481,358
Individual & Corp. Income Taxes	31.90%	1,285,262	1,109,126	1,053,059	971,290	947,765	877,444	774,014	692,814
Other Taxes	10.10%	406,781	385,481	377,753	368,926	303,609	424,512	414,494	370,835
Licenses, Permits, & Fees	4.45%	179,089	168,189	158,196	143,407	151,297	141,959	123,267	105,967
Sales of Services, Goods, & Property	2.28%	92,021	82,274	65,628	42,818	44,156	42,555	38,991	23,669
Grants & Contributions	27.32%	1,100,570	940,360	903,019	895,013	805,441	724,364	676,789	634,970
Interest & Other Invest. Income	2.54%	102,297	103,305	97,612	80,233	72,386	63,265	22,190	24,083
Rent and Lease Income	0.38%	15,459	14,723	13,512	12,320	5,155	6,998	11,173	10,771
Miscellaneous Income	2.12%	85,375	52,757	57,195	41,998	89,626	95,064	121,592	88,297
TOTAL REVENUES	100.00%	\$4,028,482	\$3,568,529	\$3,389,827	\$3,179,965	\$3,024,847	\$2,951,913	\$2,724,013	\$2,432,764

This schedule was prepared on a budgetary basis for years prior to 1996 and on a GAAP basis for 1996-2000.

* The State of Idaho converted to a new accounting system that was fully implemented in FY 93. Comparable information for prior years is not available.

Schedule 2 - Expenditures by Function

General Governmental Expenditures (*in thousands*)

Fiscal Years 1993-2000

	%	2000	1999	1998	1997	1996	1995	1994	1993*
General Government	10.91%	\$418,639	\$378,708	\$413,321	\$383,209	\$350,097	\$358,243	\$316,549	\$300,495
Public Safety & Corrections	5.32%	204,137	190,625	174,167	157,465	137,897	128,788	104,679	95,927
Agriculture & Econ. Development	4.38%	168,082	156,069	144,529	137,853	111,593	141,439	120,436	119,023
Natural Resources	3.28%	125,977	116,564	108,869	110,699	113,097	139,543	114,435	102,222
Health & Human Services	23.75%	911,642	835,528	772,569	736,387	698,069	637,771	566,482	563,747
Education	30.48%	1,169,920	1,134,474	1,005,489	989,014	938,746	999,300	1,036,957	969,223
Transportation	6.60%	253,339	248,536	224,352	251,157	199,095	383,907	311,694	293,953
Capital Outlay**	9.14%	350,656	324,187	266,672	258,697	251,089			
Intergovernmental**	6.14%	235,804	207,332	220,346	189,671	197,942			
TOTAL EXPENDITURES	100.00%	\$3,838,196	\$3,592,023	\$3,330,314	\$3,214,152	\$2,997,625	\$2,788,991	\$2,571,232	\$2,444,590

This schedule was prepared on a budgetary basis for years prior to 1996 and on a GAAP basis for 1996-2000.

* The State of Idaho converted to a new accounting system that was fully implemented in FY 93. Comparable information for prior years is not available.

** Classification structure changed in FY 96 and data from prior years for these new classifications is not available.

Schedule 3 - Property Taxes by Taxing District and Category of Property

The State of Idaho does not levy property taxes. Information is for other taxing entities within the State.

Property Taxes by Taxing District

Tax Levy Years 1991-1999 (dollars in millions)

	1999	1998	1997	1996	1995*	1994	1993	1992	1991
County	\$202.0	\$188.8	\$180.4	\$172.7	\$162.3	\$155.3	\$146.9	\$134.9	\$118.3
City	179.6	169.0	159.2	149.1	136.8	127.3	116.5	109.6	100.6
School	369.3	346.6	327.7	301.2	277.0	285.3	253.1	233.9	217.9
Roads/Highways	47.4	44.8	42.3	40.6	38.8	36.2	34.2	33.5	31.7
Community College	9.7	9.3	9.0	9.8	9.5	9.4	8.7	7.4	6.6
All Others	52.2	48.5	45.1	41.6	39.8	38.1	33.8	30.3	27.6
Total Tax	\$860.2	\$807.0	\$763.7	\$715.0	\$664.2	\$651.6	\$593.2	\$549.6	\$502.7

Property Taxes by Category of Property

Tax Levy Years 1991-1999

	1999	1998	1997	1996	1995*	1994	1993	1992	1991
Residential	54.8%	54.4%	54.8%	54.9%	54.4%	52.1%	50.3%	49.3%	47.9%
Commercial/Industrial	31.4%	31.2%	30.4%	30.0%	30.2%	31.0%	32.3%	32.6%	33.1%
Agricultural	6.4%	6.5%	6.6%	6.8%	7.3%	8.0%	8.5%	9.1%	9.5%
Timber	1.7%	1.7%	1.6%	1.5%	1.4%	1.5%	1.2%	1.1%	1.1%
Mining	0.3%	0.3%	0.3%	0.3%	0.3%	0.2%	0.4%	0.4%	0.8%
Operating	5.4%	5.9%	6.3%	6.5%	6.4%	7.2%	7.3%	7.5%	7.6%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Urban	60.8%	60.8%	60.3%	60.6%	59.7%	58.9%	59.4%	59.1%	58.3%
Rural	39.2%	39.2%	39.7%	39.4%	40.3%	41.1%	40.6%	40.9%	41.7%

% Change Total Tax Collections	6.6%	5.7%	6.8%	7.6%	1.9%	9.8%	8.0%	9.3%	9.1%
Amount Tax Collections (millions)	\$860.1	\$807.0	\$763.7	\$715.0	\$664.2	\$651.6	\$593.2	\$549.5	\$502.7
Amount Market Value (billions)	\$59.0	\$55.5	\$52.9	\$48.8	\$44.2	\$38.7	\$34.7	\$31.5	\$29.5
Average Tax Rate	1.459%	1.445%	1.444%	1.466%	1.502%	1.683%	1.708%	1.744%	1.702%

*HB156 became law in 1995. This included \$40.8M of school Maintenance and Operations (M&O) property tax relief as a result of reducing the maximum M&O tax rate from .4% to .3%. Also other local M&O taxing district budgets were capped at a 3% increase plus the previous year's M&O tax rate times the taxable value of any new construction. The school tax relief was paid by state sales tax collections.

Source: Associated Taxpayers of Idaho. Comparable information for prior years is not available.

Schedule 4 - State Sales Tax Revenues

Fiscal Years 1991 - 2000 (dollars in millions)

	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
Total Sales	\$43,017	\$38,350	\$36,572	\$34,900	\$32,338	\$29,615	\$26,911	\$24,866	\$22,277	\$20,240
Nontaxable	29,052	25,100	24,398	23,230	21,167	18,992	16,834	15,936	14,142	12,714
Net Taxable	13,965	13,250	12,174	11,670	11,171	10,623	10,077	8,930	8,135	7,526
Use Tax	947	844	795	764	802	768	670	654	536	502
Total Taxable	\$14,912	\$14,094	\$12,969	\$12,434	\$11,973	\$11,391	\$10,747	\$9,584	\$8,671	\$8,028
Tax Amount Received	\$745	\$700	\$652	\$624	\$600	\$574	\$540	\$475	\$421	\$398

Source: Idaho State Tax Commission

Schedule 5 - Total Resident Population and Components of Change

Calendar Years 1991 - 2000

	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
Population (in thousands)	1,273.5	1,251.8	1,231.0	1,211.0	1,186.7	1,159.9	1,131.0	1,098.4	1,068.1	1,037.5
Population % Change	1.7 %	1.7 %	1.7 %	2.0 %	2.3 %	2.6 %	3.0 %	2.8 %	2.9 %	2.7 %
Births Number	19,839	19,646	19,188	18,599	18,482	17,915	17,690	17,575	17,197	16,741
Deaths Number	9,421	9,260	9,105	8,953	8,679	8,553	8,478	8,277	7,887	7,644
Net Migration Number	11,306	10,439	9,966	14,572	16,982	19,563	23,411	20,977	21,365	17,628

Note: 2000 numbers are estimates.

Source: Division of Financial Management, Economic Analysis Bureau, Vol. XXII, No. 4, October, 2000

Schedule 6 - Residential Building Activity

Housing Starts

Calendar Years 1991 - 2000

	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
Idaho	10,565	10,336	10,129	8,860	9,227	9,361	12,768	11,456	9,583	6,600
% Change	2.2%	2.0%	14.3%	(4.0)%	(1.4)%	(26.7)%	11.5%	19.5%	45.2%	13.2%
National (millions)	1.618	1.676	1.621	1.475	1.469	1.361	1.446	1.292	1.201	1.009
% Change	(3.4)%	3.4%	9.9%	0.4%	7.9%	(5.9)%	12.0%	7.6%	19.0%	(16.1)%

Note: 2000 numbers are estimates.

Source: Division of Financial Management, Economic Analysis Bureau, Vol. XXII, No. 4, October, 2000

Schedule 7 - Domestic Financial Institutions Deposits

Calendar Years 1991-1999 (dollars in millions)

Institution Type	No. of Branches	1999	1998	1997	1996	1995	1994	1993	1992	1991
Banks	351	\$8,793	\$8,798	\$8,549	\$9,129	\$9,015	\$8,448	\$7,872	\$7,494	\$7,247
Savings & Loans	54	1,032	1,027	912	899	854	861	866	869	825
Credit Unions	19	317	1,202	1,191	1,130	1,004	967	913	892	821
FDIC Savings Banks	79	1,366	172	49	21	1	-	-	-	-
Total for Idaho	503	\$11,508	\$11,199	\$10,701	\$11,179	\$10,874	\$10,276	\$9,651	\$9,255	\$8,893

Source: 2000/Sheshunoff Information Services, Inc. Comparable information for prior years is not available.

Schedule 8 - Eleven Largest Private Employers in Idaho

December 1, 1999

Major Idaho Employers	Employees
Albertsons, Inc.	Over 6,000
Bechtel BWTX Idaho LLC	Over 6,000
Micron Technology, Inc.	Over 6,000
Hewlett-Packard Co.	3,000-6,000
J.R. Simplot Co.	3,000-6,000
Potlatch Corporation	3,000-6,000
Sears Roebuck and Co.	2,000-3,000
St. Lukes Regional Medical Center	2,000-3,000
Ricks College	2,000-3,000
St. Alphonsus Regional Medical Center	2,000-3,000
Wal-Mart Associates, Inc.	2,000-3,000

Source: Idaho Department of Labor

Schedule 9 - Employment Comparison

Calendar Years 1990 - 1999

	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990
Idaho Civilian Labor Force	655,300	653,056	633,600	619,304	601,194	591,463	547,678	531,994	508,687	492,619
% Change	0.3%	3.1%	2.3%	3.0%	1.6%	8.0%	2.9%	4.6%	3.3%	0.7%
U.S. Civilian Labor Force (in thousands)	139,368	137,673	136,297	133,943	132,304	131,056	129,200	128,105	126,346	125,840
% Change	1.2%	1.0%	1.8%	1.2%	1.0%	1.4%	0.9%	1.4%	0.4%	1.6%
Idaho Employment	621,400	620,217	599,800	586,874	568,801	558,589	513,653	497,343	477,070	463,484
% Change	0.2%	3.4%	2.2%	3.2%	1.8%	8.7%	3.3%	4.2%	2.9%	(0.1)%
U.S. Employment (in thousands)	133,488	131,463	129,558	126,708	124,900	123,060	120,259	118,492	117,718	118,793
% Change	1.5%	1.5%	2.2%	1.4%	1.5%	2.3%	1.5%	0.7%	(0.9)%	1.2%

Source: Bureau of Labor Statistics, Idaho Department of Labor

Schedule 10 - Labor Force and Employment by Sector

Calendar Years 1990-1999

	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990
Resident Civilian Labor Force and Employment in Idaho										
Civilian Labor Force	655,300	653,056	633,600	619,304	601,194	591,463	547,678	531,994	508,687	492,619
Unemployment	33,900	32,839	33,800	32,430	32,393	32,874	34,025	34,651	31,617	29,135
Net Employment	621,400	620,217	599,800	586,874	568,801	558,589	513,653	497,343	477,070	463,484
Unemployment Percentage Rate	5.2%	5.0%	5.3%	5.2%	5.4%	5.6%	6.2%	6.5%	6.2%	5.9%
Nonagricultural Wage and Salary Workers Employed in Idaho										
Goods Producing Industries										
Mining	2,579	2,902	3,068	3,067	2,725	2,423	2,198	2,603	3,076	3,873
Construction	34,881	32,228	31,870	30,615	29,642	29,017	24,699	22,153	20,152	18,760
Manufacturing-Durable Goods	47,137	47,171	45,567	44,063	42,111	40,615	37,482	34,775	33,143	34,041
Manufacturing-Nondurable Goods	28,984	28,941	29,012	28,831	28,907	31,256	31,759	30,963	30,082	28,827
Total Goods Producing Industries	113,581	111,242	109,517	106,576	103,385	103,311	96,138	90,494	86,453	85,501
Service Producing Industries										
Transportation, Comm., and Utilit.	26,896	25,497	24,271	23,409	22,707	21,882	20,880	20,341	20,029	19,790
Trade	136,266	132,620	129,197	125,199	121,408	116,708	109,395	105,916	101,000	97,092
Finance, Insurance, and Real Estate	23,558	22,930	25,430	25,183	24,981	24,108	22,759	21,474	20,624	19,836
Service	135,782	128,782	122,515	116,019	110,130	102,853	97,234	90,399	85,637	81,772
State and Local Government	90,249	87,715	84,983	82,582	81,693	79,040	76,839	74,524	71,432	68,362
Federal Government	12,836	12,796	12,901	12,895	13,109	13,486	13,572	13,456	12,908	13,051
Total Service Producing Industries	425,587	410,340	399,297	385,287	374,028	358,077	340,679	326,110	311,630	299,903
Nonfarm Wage & Salary Employment	539,168	521,582	508,814	491,863	477,413	461,388	436,817	416,604	398,083	385,404

Source: Idaho Department of Labor

Schedule 11 - Average Annual Wage

Calendar Years 1991-2000

	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
Idaho	\$28,226	\$27,151	\$25,813	\$24,815	\$24,110	\$23,620	\$22,723	\$21,980	\$21,472	\$20,549
% Change	4.0%	5.2%	4.0%	2.9%	2.1%	3.9%	3.5%	2.4%	4.5%	4.0%
National	\$36,298	\$34,713	\$33,300	\$31,700	\$30,323	\$29,224	\$28,358	\$27,912	\$27,501	\$26,120
% Change	4.6%	4.2%	5.0%	4.5%	3.8%	3.1%	1.7%	1.5%	5.3%	3.6%

Note: 2000 numbers are estimates.

Source: Division of Financial Management, Economic Analysis Bureau, Vol. XXII, No. 4, October, 2000

Schedule 12 - Personal Income Comparison

Idaho vs. National

Calendar Years 1991-2000

	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
In Current Dollars										
Idaho (millions)	\$31,371	\$29,386	\$27,177	\$25,440	\$24,174	\$22,869	\$21,399	\$19,591	\$17,765	\$16,313
% Change	6.8%	8.1%	6.8%	5.2%	5.7%	6.9%	9.2%	10.3%	8.9%	4.9%
National (billions)	\$8,287	\$7,790	\$7,391	\$6,937	\$6,547	\$6,201	\$5,888	\$5,481	\$5,266	\$4,982
% Change	6.4%	5.4%	6.5%	6.0%	5.6%	5.3%	7.4%	4.1%	5.7%	3.7%
In 1996 Dollars										
Idaho (millions)	\$29,175	\$28,025	\$26,376	\$24,954	\$24,172	\$23,359	\$22,357	\$19,080	\$17,763	\$16,848
% Change	4.1%	6.3%	5.7%	3.2%	3.5%	4.5%	17.2%	7.4%	5.4%	0.7%
National (billions)	\$7,708	\$7,430	\$7,173	\$6,805	\$6,547	\$6,334	\$6,152	\$5,339	\$5,266	\$5,145
% Change	3.7%	3.6%	5.4%	3.9%	3.4%	3.0%	15.2%	1.4%	2.3%	(0.5)%

Note: 2000 numbers are estimates. 1991-1993 are based on 1992 Dollars.

Source: Division of Financial Management, Economic Analysis Bureau, Vol. XXII, No. 4, October, 2000

Schedule 13 - Personal Income by Component

Calendar Years 1991-2000 (dollars in millions)

	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
Total Personal Income	\$31,371	\$29,386	\$27,177	\$25,440	\$24,174	\$22,869	\$21,399	\$20,105	\$18,382	\$16,825
% Change	6.8%	8.1%	6.8%	5.2%	5.7%	6.9%	6.4%	9.4%	9.3%	4.8%
Wage and Salaries	16,308	15,172	13,966	13,121	12,316	11,725	10,916	9,991	9,307	8,533
% Change	7.5%	8.6%	6.4%	6.5%	5.0%	7.4%	9.3%	7.3%	9.1%	7.1%
Farm Proprietors Income	674	808	532	311	585	496	410	839	603	601
% Change	(16.6)%	51.9%	70.8%	(46.7)%	17.9%	21.1%	(51.2)%	39.3%	30.0%	(22.1)%
Nonfarm Proprietors Income	3,064	2,829	2,645	2,504	2,337	2,264	2,342	2,139	1,833	1,515
% Change	8.3%	6.9%	5.6%	7.1%	3.2%	(3.3)%	9.5%	16.7%	21.0%	(3.1)%
Dividends, Rent, Interest	6,248	5,779	5,460	5,109	4,650	4,377	3,925	3,554	3,367	3,254
% Change	8.1%	5.8%	6.9%	9.9%	6.2%	11.5%	10.4%	5.6%	3.5%	4.3%
Other Labor Income	2,006	1,904	1,799	1,750	1,728	1,714	1,725	1,591	1,415	1,265
% Change	5.4%	5.9%	2.8%	1.3%	0.8%	(0.6)%	8.4%	12.5%	11.8%	10.7%
Govt. Transfers to Individuals	3,950	3,727	3,552	3,395	3,285	3,012	2,777	2,626	2,442	2,192
% Change	6.0%	4.9%	4.6%	3.4%	9.1%	8.5%	5.8%	7.5%	11.4%	11.2%
Contribution for Social Insurance	1,262	1,182	1,097	1,044	987	949	900	817	756	704
% Change	6.8%	7.7%	5.1%	5.7%	4.0%	5.5%	10.2%	8.0%	7.5%	9.8%
Residence Adjustment	385	350	322	294	260	230	204	183	173	169
% Change	9.9%	8.9%	9.6%	12.9%	12.9%	12.9%	11.8%	5.3%	2.8%	9.2%

Note: 2000 numbers are estimates.

Source: Division of Financial Management, Economic Analysis Bureau, Vol. XXII, No. 4, October, 2000

Schedule 14 - Per Capita Personal Income Comparison

Idaho vs. National

Calendar Years 1991-2000

	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
In Current Dollars										
Idaho	\$24,631	\$23,473	\$22,076	\$21,007	\$20,369	\$19,715	\$18,918	\$18,302	\$17,208	\$16,217
% Change	4.9%	6.3%	5.1%	3.1%	3.3%	4.2%	3.4%	6.4%	6.1%	2.1%
National	\$30,068	\$28,520	\$27,312	\$25,851	\$24,630	\$23,543	\$22,565	\$21,709	\$21,077	\$20,099
% Change	5.4%	4.4%	5.7%	5.0%	4.6%	4.3%	3.9%	3.0%	4.9%	2.6%
In 1996 Dollars										
Idaho	\$22,908	\$22,387	\$21,425	\$20,606	\$20,369	\$20,137	\$19,766	\$19,510	\$18,781	\$18,240
% Change	2.3%	4.5%	4.0%	1.2%	1.1%	1.9%	1.3%	3.9%	3.0%	(1.7)%
National	\$27,966	\$27,203	\$26,508	\$25,358	\$24,630	\$24,049	\$23,577	\$23,142	\$23,004	\$22,606
% Change	2.8%	2.6%	4.5%	3.0%	2.4%	2.0%	1.9%	0.6%	1.8%	(1.2)%

Note: 2000 numbers are estimates.

Source: Division of Financial Management, Economic Analysis Bureau, Vol. XXII, No. 4, October, 2000

Schedule 15 - Full-Time Equivalent Positions - State Employees

Fiscal Years 1991-2000

	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
State Board of Education	4,783	4,846	4,757	4,692	4,683	4,605	4,502	4,436	4,383	4,252
Department of Health and Welfare	3,629	3,627	3,621	3,623	3,657	4,105	4,073	3,856	3,804	3,163
Idaho Transportation Department	1,829	1,800	1,745	1,813	1,811	1,820	1,814	1,812	1,781	1,773
Department of Correction	1,354	1,362	1,312	1,109	1,150	1,078	1,046	922	899	883
Executive Office of the Governor	518	470	680	666	652	650	656	636	623	595
Department of Fish and Game	496	500	501	505	523	523	521	526	486	476
Department of Law Enforcement	516	496	494	488	486	489	486	489	495	471
Department of Revenue and Taxation	419	419	378	378	376	375	372	370	381	369
All Other	2,483	2,537	2,473	2,408	2,368	2,160	2,123	2,095	2,058	1,926
State Total	16,027	16,057	15,961	15,682	15,706	15,805	15,593	15,142	14,910	13,908

Source: Executive Budget FY 2000, FY 1999, FY 1997, FY 1995, FY 1993

Schedule 16 - Public School Enrollment Grades K-12

Academic Years 1990/91 - 1999/2000

	1999-00	1998-99	1997-98	1996-97	1995-96	1994-95	1993-94	1992-93	1991-92	1990-91
Elementary	131,348	131,018	130,080	129,525	129,570	129,031	128,339	126,562	124,959	125,782
Secondary	113,878	113,605	114,323	115,727	113,627	111,417	108,435	105,106	100,721	96,887
Total All Grades	245,226	244,623	244,403	245,252	243,197	240,448	236,774	231,668	225,680	222,669

Starting in academic year 1997/98, the reporting date changed from the last Friday in September to the first Friday in November.

Source: Idaho Department of Education

Schedule 17 - Public Higher Education Enrollment

Student Headcount (Calendar Years 1991-2000)

	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
Boise State University	16,482	16,209	15,744	15,467	15,137	14,969	15,099	15,296	14,908	14,254
Idaho State University	12,843	12,650	12,232	11,870	12,139	12,027	11,875	10,781	10,755	10,048
University of Idaho	11,635	11,305	11,437	11,027	11,133	11,727	11,730	11,543	11,448	10,941
Lewis-Clark State College	2,696	2,815	2,972	3,008	2,967	3,118	3,330	3,226	3,029	2,816
Total Colleges and Universities	43,656	42,979	42,385	41,372	41,376	41,841	42,034	40,846	40,140	38,059
College of Southern Idaho	5,456	5,056	4,871	4,872	4,270	4,359	4,108	3,820	3,523	3,128
North Idaho College	3,981	3,894	3,469	3,597	3,610	3,276	3,317	3,339	3,074	3,093
Total Community Colleges	9,437	8,950	8,340	8,469	7,880	7,635	7,425	7,159	6,597	6,221
Eastern Idaho Technical College	595	653	601	540	374	409	368	297	339	327
Total System	53,688	52,582	51,326	50,381	49,630	49,885	49,827	48,302	47,076	44,607

Note: Total Headcount includes academic full-time, academic part-time, and vocational.

Source: Idaho State Board of Education

Schedule 18 - Number of Teachers, Average Salary, and Number of High School Graduates

Academic Years 1989 -1998

	1998	1997	1996	1995	1994	1993	1992	1991	1990	1989
Number of Teachers¹										
Elementary	6.8	6.7	6.6	6.5	6.3	6.2	6.1	6.1	5.9	5.6
Secondary	6.6	6.4	6.2	6.1	5.7	5.6	5.5	5.1	5.2	4.9
Total	13.4	13.1	12.8	12.6	12.0	11.8	11.6	11.2	11.1	10.5
Average Annual Teacher's Salary²										
Elementary	\$32.7	\$31.8	\$30.8	\$29.7	\$27.6	\$26.8	\$26.0	\$25.0	\$23.4	\$22.3
Secondary	\$32.8	\$31.9	\$31.0	\$29.9	\$27.9	\$27.2	\$26.8	\$26.0	\$24.3	\$23.4
All Teachers	\$32.8	\$31.8	\$30.9	\$29.8	\$27.8	\$27.0	\$26.4	\$25.5	\$23.9	\$22.9
Rank Among All States³	40	40	41	42	45	46	47	45	45	44
Number of High School Graduates¹	15.1 ^a	15.6 ^a	14.5 ^a	14.2	13.3	13.0	12.7	12.0	12.0	12.5

¹In thousands²In thousands of dollars³Includes Washington D.C.^aEstimate

Source: Statistical Abstract of the United States 1999

Schedule 19 - FY 1998-99 School District Information

School District Size	Number of Districts	Total Enrollment	Student-Teacher Ratio	Expenditure Per Student*
Over 5,000 Students	11	123,342	18.8	5,485
2,500 to 4,999 Students	15	54,874	18.3	5,425
1,000 to 2,499 Students	29	43,766	17.8	5,553
500 to 999 Students	21	14,207	15.5	6,466
Less than 500 Students	37	9,037	13.1	7,382
Statewide Total	113	245,226	18.0	5,613

Source: 2000 Idaho Fiscal Facts, Legislative Services Office

*SDOE Sources (Uses FY 1999 financial data as most current available.)

Schedule 20 - Idaho's Rank in the Nation's Agriculture

Calendar Year 1999

Commodity	Rank Among States	Production	Unit	% of U.S.
Crops:				
Potatoes	1	133,330,000	cwt.	28 %
Austrian Winter Peas	1	56,000	cwt.	93 %
Wrinkled Seed Peas	1	340,000	cwt.	52 %
Lentils	2	840,000	cwt.	35 %
Dry Edible Peas	2	1,007,000	cwt.	20 %
Sugarbeets	3	5,103,000	ton	15 %
Barley	3	53,820,000	bu.	19 %
All Mint	3	1,665,000	lb.	17 %
Hops	3	4,734,000	lb.	7 %
Onions (Summer Storage)	3	5,530,000	cwt.	14 %
Prunes and Plums (Fresh) ¹	4	1,800	ton	8 %
Other Spring Wheat	5	50,560,000	bu.	10 %
Sweet Cherries	5	1,900	ton	1 %
Sweet Corn for Processing	6	140,610	ton	4 %
Alfalfa Hay	7	4,600,000	ton	5 %
Dry Edible Beans	7	2,112,000	cwt.	6 %
All Wheat	9	104,520,000	bu.	5 %
Winter Wheat	10	53,960,000	bu.	3 %
All Hay	11	5,132,000	ton	3 %
Apples	13	70,000,000	lb.	1 %
Livestock and Livestock Products:				
Foodsize Trout ²	1	46,000,000	lb.	76 %
American Cheese	4	505,102,000	lb.	14 %
Milk Production	6	6,453	mil. lb.	4 %
Milk Cows ⁴	7	318,000	head	3 %
All Sheep and Lambs ³	9	275,000	head	4 %
Wool	9	2,194,000	lb.	5 %
Honey	10	5,760,000	lb.	3 %
All Cattle and Calves ³	15	1,950,000	head	2 %

¹Includes only Idaho, Washington, Michigan, and Oregon - Fresh basis.

²Foodsize fish are defined as being 12 inches long or longer.

³January 1, 2000, inventory.

⁴Average number during year; excluding heifers not yet fresh.

Source: Idaho Agricultural Statistics Service

Schedule 21 - Expenditure and Inmate Population Growth

Fiscal Years 1991-2000

	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
Expenditures (in thousands)	\$93,452	\$87,702	\$82,045	\$71,126	\$64,409	\$59,755	\$47,991	\$43,711	\$42,363	\$36,380
% Change	6.18%	6.90%	15.35%	10.43%	7.79%	24.51%	9.79%	3.18%	16.44%	23.90%
Inmate Population	4,559	4,018	4,007	3,681	3,268	2,903	2,491	2,427	2,241	2,040
% Change	13.46%	0.27%	8.86%	12.64%	12.57%	16.54%	2.64%	8.30%	9.85%	11.96%

Source: 2000 Idaho Fiscal Facts

Schedule 22 - Idaho's Gross Domestic Product

Calendar Years 1991 - 2000 (dollars in billions)

	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
Current Dollars	\$10,001.9	\$9,299.2	\$8,790.2	\$8,318.4	\$7,813.2	\$7,400.6	\$7,054.3	\$6,642.3	\$6,319.0	\$5,986.2
% Change	7.6%	5.8%	5.7%	6.5%	5.6%	4.9%	6.2%	5.1%	5.6%	3.2%
1996 Chain-Weighted	\$9,336.8	\$8,875.8	\$8,515.7	\$8,159.5	\$7,813.1	\$7,543.8	\$7,347.7	\$7,062.6	\$6,880.1	\$6,676.4
% Change	5.2%	4.2%	4.4%	4.4%	3.6%	2.7%	4.0%	2.7%	3.1%	(0.5)%

Note: 2000 numbers are estimates.

Source: Division of Financial Management, Economic Analysis Bureau, Vol. XXII, No. 4, October, 2000

Schedule 23 - Idaho's 1997* Tax Ranking Among the 50 States and D.C.

Lower ranking equals higher taxes, with 1 being the highest and 51 being the lowest.

Type of Tax	States w/Tax	Income Basis for Ranking							Per Capita Basis for Ranking						
		FY 97	FY 96	FY 95	FY 94	FY 93	FY 92	FY 91	FY97	FY 96	FY 95	FY 94	FY 93	FY 92	FY 91
Property	51	31	34	35	37	37	37	35	36	35	37	38	38	39	37
Sales	47	29	25	25	22	27	24	28	38	36	36	34	34	35	36
Individual Income	44	15	15	16	15	16	15	13	27	27	27	24	26	25	24
Corporate Income	47	13	10	15	21	25	24	26	21	15	18	24	28	24	28
Motor Vehicle	51	3	9	9	6	6	7	9	4	13	16	9	12	13	11
Overall	51	21	24	23	25	33	29	28	41	40	40	38	39	40	42
Per Capita Income Ranking		45	42	40	40	40	45	45							

*1997 Most Current Year Available

Source: Idaho Tax Commission

Schedule 24 - Revenue from the Lottery

Fiscal Years 1991-2000

	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
Type of Ticket (millions)										
Scratch	\$57.3	\$56.4	\$58.8	\$61.2	\$63.7	\$57.4	\$42.2	\$31.3	\$32.8	\$36.6
On-Line	\$27.6	\$32.6	\$29.2	\$23.8	\$25.4	\$28.9	\$28.5	\$24.3	\$17.4	\$14.6
Break Open	\$1.6	\$1.5	\$1.6	\$2.0	\$2.0	\$1.7	\$1.4	\$1.2	\$1.5	-
Other Income (thousands)	\$610.6	\$601.2	\$544.0	\$662.0	\$501.0	\$474.0	\$395.0	\$349.0	\$326.0	\$321.0
Gross Revenue (millions)	\$87.1	\$91.0	\$90.1	\$87.6	\$91.6	\$88.4	\$72.5	\$57.1	\$51.9	\$51.4
Less:										
Prizes	\$51.0	\$52.3	\$52.4	\$53.3	\$55.2	\$52.9	\$41.3	\$31.4	\$28.1	\$25.8
Administration	\$17.9	\$17.3	\$17.1	\$15.9	\$16.6	\$16.9	\$15.6	\$13.2	\$11.2	\$10.6
Net Proceeds	\$18.2	\$21.4	\$20.6	\$18.4	\$19.8	\$18.6	\$15.6	\$12.5	\$12.6	\$15.0

Source: Idaho State Lottery

Schedule 25 - Assets, Liabilities, and Fund Balances

General Fund Accounts

June 30, 2000

	State General Account	Permanent Building	Warrant Deficiency	Legislative	Budget Reserve	Millennium
Assets						
Cash Equity with Treasurer	\$199,743,155	\$59,415,463	(\$327,407)	\$2,218,166	\$36,030,195	\$5,272,273
Cash and Cash Equivalents	100,101					
Investments	45,886,473					24,953,958
Accounts Receivable, Net	142,306,221	13,223,163				474,057
Due from Other Funds	2,901	43,989				
Due from Other Entities						
Inventory	146,121		31,600			
Notes/Mortgages Receivable, Net	5,658					
Other Assets	13,736					
Total Assets	\$388,204,366	\$72,682,615	(\$295,807)	\$2,218,166	\$36,030,195	\$30,700,288
Liabilities and Fund Balance						
Liabilities						
Accounts Payable and Other Liabilities	\$14,582,529	\$4,218,969	\$83,615	\$53,371		
Payroll and Compensated Absences Payab	57,953,652	78,354	155,307	135,471		
Deposits	135,557					
Due to Other Funds	1,012,851	7,081	46,132	28,472		
Due to Other Entities						
Deferred Revenue	14,185,811	5,964,730				
Total Liabilities	87,870,400	10,269,134	285,054	217,314		
Fund Balances						
Reserved	7,743,220	18,981	33,086			
Unreserved	292,590,746	62,394,500	(613,947)	2,000,852	\$36,030,195	\$30,700,288
Total Fund Balances	300,333,966	62,413,481	(580,861)	2,000,852	36,030,195	30,700,288
Total Liabilities and Fund Balance	\$388,204,366	\$72,682,615	(\$295,807)	\$2,218,166	\$36,030,195	\$30,700,288

Catastrophic Health Care	Income Earnings	Sales Tax	Income Tax Refunds	Miscellaneous	Total
\$2,864,077	\$13,208,586	\$25,718,125	\$1,787,825	\$11,595,444	\$357,525,902
					100,101
	15,933,155				86,773,586
	1,147,133	12,305,241	11,379,368	369,532	181,204,715
				14,077	60,967
				640,058	640,058
	81,148				258,869
	63,057				68,715
	7,585,308				7,599,044
\$2,864,077	\$38,018,387	\$38,023,366	\$13,167,193	\$12,619,111	\$634,231,957
\$59,184	\$250,557			\$2,405,323	\$21,653,548
	43,924			307,829	58,674,537
	112,208				247,765
	8,324			13,914	1,116,774
	15,933,155				15,933,155
	2,630,060	\$1,487,447	\$1,848,210		26,116,258
59,184	18,978,228	1,487,447	1,848,210	2,727,066	123,742,037
	22,200,928			238,421	30,234,636
2,804,893	(3,160,769)	36,535,919	11,318,983	9,653,624	480,255,284
2,804,893	19,040,159	36,535,919	11,318,983	9,892,045	510,489,920
\$2,864,077	\$38,018,387	\$38,023,366	\$13,167,193	\$12,619,111	\$634,231,957

Schedule 26 - Revenues, Expenditures, and Changes in Fund Balances
General Fund Accounts
For the Fiscal Year Ended June 30, 2000

	State General Account	Permanent Building	Warrant Deficiency	Legislative	Budget Reserve	Millennium
Revenues						
Sales Tax	\$637,783,799	\$541,667				
Individual and Corporate Taxes	1,024,699,506	6,079,347				
Other Taxes	16,947,676	8,767,918				
Licenses, Permits, and Fees	8,315,914		\$108,733			
Sale of Services, Goods, and Property	228,278	12,906,640	6,254	\$1,367		
Grants and Contributions	8,165					
Interest and Other Investment Income	34,290,372	1,963,172				\$497,707
Rent and Lease Income	238,892	115,320				
Miscellaneous Income	2,165,416	14,727,536	887,675		\$16,781,559	13,421,022
Total Revenues	1,724,678,018	45,101,600	1,002,662	1,367	16,781,559	13,918,729
Expenditures						
Current						
General Government	63,184,577	7,081		4,850,154		
Public Safety and Correction	148,086,528					
Agriculture and Economic Developmen	15,677,831		209,721			
Natural Resources	26,174,738		2,860,739			
Health	8,789,500					
Public Education	258,536,389					
Human Services	617,232					
Transportation	435,702	3,294,863				
Capital Outlay	21,916,193	46,090,632	1,246	75,286		
Intergovernmental	46,303,547					
Total Expenditures	589,722,237	49,392,576	3,071,706	4,925,440		
Revenues Over (Under) Expenditures	1,134,955,781	(4,290,976)	(2,069,044)	(4,924,073)	16,781,559	13,918,729
Other Financing Sources (Uses)						
Operating Transfers In	144,345,614	8,381,709	1,954,535	4,350,000		17,168,518
Operating Transfers Out	(1,115,367,281)	(758)			(16,781,559)	(386,959)
Capital Leases Incurred	130,418					
Total Other Financing Sources (Uses)	(970,891,249)	8,380,951	1,954,535	4,350,000	(16,781,559)	16,781,559
Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	164,064,532	4,089,975	(114,509)	(574,073)		30,700,288
Fund Balances - Beginning of Year	136,269,434	58,323,506	(466,352)	2,574,925	36,030,195	
Fund Balances - End of Year	\$300,333,966	\$62,413,481	(\$580,861)	\$2,000,852	\$36,030,195	\$30,700,288

*This column represents intrafund operating transfer eliminations within the General Fund accounts. Eliminations are shown in a separate column in order to display actual transfers in the individual accounts.

Catastrophic Health Care	Income Earnings	Sales Tax	Income Tax Refunds	Miscellaneous	General Account Transfer	Total
		\$114,179,924	\$2,818,776	\$1,104,086		\$756,428,252
			252,311,413	2,171,404		1,285,261,670
	\$5,204,917	28,672	10,817,870			41,767,053
	1,094,903			1,972,318		11,491,868
\$2,506,626	1,599,320			3,360,211		20,608,696
	17,984			5,631,827		5,657,976
553,730	33,752,550			16,260,339		87,317,870
	4,505,266			1,863,772		6,723,250
	2,427,279			6,747,401		57,157,888
3,060,356	48,602,219	114,208,596	265,948,059	39,111,358		2,272,414,523
		112,244,650	184,255,748	4,439,580		368,981,790
	1,949,058			1,044,994		151,080,580
10,522,444				642,429		27,052,425
				577,863		29,613,340
	4,236,313					13,025,813
	883,905,799			10,916,282		1,153,358,470
						617,232
	109,978					3,840,543
	593,293			222,412		68,899,062
				5,623,033		51,926,580
10,522,444	890,794,441	112,244,650	184,255,748	23,466,593		1,868,395,835
(7,462,088)	(842,192,222)	1,963,946	81,692,311	15,644,765		404,018,688
5,885,700	846,357,259			17,885,321	\$942,663,272)	103,665,384
	(6,396,422)		(79,680,763)	(27,680,388)	942,663,272	(303,630,858)
						130,418
5,885,700	839,960,837		(79,680,763)	(9,795,067)		(199,835,056)
(1,576,388)	(2,231,385)	1,963,946	2,011,548	5,849,698		204,183,632
4,381,281	21,271,544	34,571,973	9,307,435	4,042,347		306,306,288
\$2,804,893	\$19,040,159	\$36,535,919	\$11,318,983	\$9,892,045	\$0	\$510,489,920

Schedule 27 - Miscellaneous Statistics

State Capitol: Boise
 Admitted to the Union: July 3, 1890
 Nickname: The "Gem State"
 Motto: "Esto Perpetua" (Let It Be Perpetual)
 1999 Population Estimate: 1,251,700
 Highest Elevation Point:
 Mt. Borah; 12,662 Feet Above Sea Level
 Lowest Elevation Point:
 Snake River, Lewiston; 770 feet Above Sea Level
 Number of Lakes: More Than 2,000
 State Song: "Here We Have Idaho"
 State Insect: Monarch Butterfly
 State Fish: Cutthroat Trout
 State Bird: Mountain Bluebird
 State Horse: Appaloosa
 State Tree: Western White Pine
 State Gem Stone: Idaho Star Garnet
 State Flower: Syringa

Source: Idaho Blue Book, 1999-2000

Idaho Department of Commerce (Population Estimate)

LAND AREA AND USE

(in square miles)

Total Area:	84,437
Land Area:	83,557
Water Area:	880
Federal Land:	52,699
Total Non-Federal Land:	30,858
Total Rural Land:	78,768
Agricultural Land:	12,170
Range Land:	34,353
Forest Land:	32,245

Land Area and Use amounts were converted from square acres to square miles at 640 acres to the mile.

Source: Idaho Blue Book, 1999 - 2000

COMMUNITIES IN IDAHO WITH POPULATIONS OVER 10,000

Boise	168,370
Pocatello	52,781
Idaho Falls	48,627
Nampa	46,125
Twin Falls	34,316
Coeur d'Alene	33,659
Lewiston	30,597
Meridian	27,690
Caldwell	23,373
Moscow	19,905
Post Falls	16,892
Rexburg	16,088
Mountain Home	10,743
Blackfoot	10,563
Garden City	10,312

Source: U.S. Census Bureau, July 1, 1999, estimate

The Following Statistics are from Calendar Year 1999

Number of:

Licensed Hospitals:	48
Optometrists:	192
Chiropractic Physicians:	363
Physicians:	2,102
Dentists:	798
Public Schools	
Elementary:	366
Secondary:	277
Non-Public Schools	
Elementary:	55
Secondary:	23
Colleges and Universities:	11
Public Libraries:	141

Source: Idaho Department of Commerce



Clearwater River Canyon, five miles south of Orofino. Lewis and Clark came down the center ridge to view for the first time the navigable waters of the Clearwater (Kooskooske, to them).
Idaho State Historical Society

STATE OF IDAHO WEBSITES & PHONE NUMBERS

OFFICE	WEB ADDRESS	PHONE NUMBER
Administration, Department of	http://www2.state.id.us/adm/	332-1824
Aging, Commission on	http://www2.state.id.us/icoa/	334-3833
Agriculture, Department of	http://www.agri.state.id.us/	332-8500
Appellate Public Defender	http://www.sapd.state.id.us/	334-2712
Arts Commission	http://www2.state.id.us/arts/index.htm	334-2119
Attorney General, Office of	http://www2.state.id.us/ag/	334-2400
Commerce, Department of	http://www.idoc.state.id.us/	334-2470
Consumer Protection Unit (1-800-432-3545)	http://www2.state.id.us/ag/consumer/consumer.htm	334-2424
Correction, Department of	http://www.corr.state.id.us/	658-2000
Developmental Disabilities Council (1-800-544-2433)	http://www2.state.id.us/icdd/index.htm	334-2178
Education, Board of	http://www.sde.state.id.us/osbe/board.htm	334-2270
Education, Department of	http://www.sde.state.id.us/Dept/	332-6800
Engineers and Land Surveyors, Board of Professional	http://www2.state.id.us/ipels/index.htm	334-3860
Finance, Department of (1-800-346-3378)	http://www2.state.id.us/finance/dof.htm	332-8000
Financial Management, Division of	http://www2.state.id.us/dfm/dfm.htm	334-3900
Fish and Game, Department of	http://www2.state.id.us/fishgame/fishgame.html	334-3700
Governor, Office of the	http://www2.state.id.us/gov/govhmpg.htm	334-2100
Health and Welfare, Department of	http://www2.state.id.us/dhw/hwgd_www/home.html	334-5500
Health Districts Conference Office	http://www2.state.id.us/phd/hdcopage.htm	334-3566
Hispanic Affairs, Commission on	http://www2.state.id.us/icha/	334-3776
Historical Society, Idaho State	http://www2.state.id.us/ishs/index.htm	334-2682
Human Resources, Division of	http://www.ipc.state.id.us/	334-2263
Human Rights Commission	http://www2.state.id.us/ihr/ihrhome.htm	334-2873
Humanities Council	http://www2.state.id.us/ihc/	334-3844
Idaho, State of	http://www.state.id.us	334-2411
Idaho State Police	http://www.isp.state.id.us	884-7000
Independent Living Council	http://www2.state.id.us/silc/	334-3800
Industrial Commission	http://www2.state.id.us/iic/index.htm	334-6000
INEEL Oversight Program	http://www2.state.id.us/deqinel/main_op.htm	373-0498
Information Technology Resource Mgmt. Council	http://www2.state.id.us/itrnc/	332-1876
Insurance Fund, State	http://www2.state.id.us/isif	332-2100
Insurance, Department of	http://www.doi.state.id.us/	334-4250
Judicial Branch/Supreme Court	http://www2.state.id.us/judicial/judicial.html	334-2246
Juvenile Corrections, Department of	http://www.djc.state.id.us/	334-5100
Labor, Department of	http://www.doe.state.id.us/	334-6252
Lands, Department of	http://www2.state.id.us/lands/	334-0200
Legislative Branch	http://www2.state.id.us/legislat/legislat.html	1-800-626-0471
Legislative Districts	http://www2.state.id.us/legislat/csgnews/	
Library, Idaho State	http://www.lili.org/isl/	334-2150
Lieutenant Governor, Office of	http://www2.state.id.us/gov/lgo/ltgov.htm	334-2200
Lottery Commission	http://www.idaholottery.com/	334-2600
Military, Division of	http://www2.state.id.us/mil/cover.htm	422-4272
Nursing, Board of	http://www2.state.id.us/ibn/ibnhome.htm	334-3110
Outfitters and Guides Licensing Board	http://www2.state.id.us/oglb/oglbhome.htm	327-7380
Parks and Recreation, Department of	http://www.idahoparks.org/	334-4199
Public Employees Retirement System	http://www.persi.state.id.us/	334-3365
Public Television, Idaho	http://www.idptv.state.id.us/	373-7220
Public Utilities Commission	http://www.puc.state.id.us/	334-0300
Purchasing, Division of	http://www2.state.id.us/adm/purchasing/default.htm	327-7465
Rural Development Council	http://www.rurdev.usda.gov/nrdp/id.html	334-6113
Tax Commission-Forms	http://www2.state.id.us/tax/forms.htm	334-7660
Transportation Department, Idaho	http://www2.state.id.us/itd/itdhmpg.htm	334-8000
Unclaimed Property	http://www2.state.id.us/tax/unclaimed.htm	334-7627
Vocational Rehabilitation, Division of	http://www2.state.id.us/idvr/idvrhome.htm	334-3390
Water Resources, Department of	http://www.idwr.state.id.us	327-7900
Women's Commission	http://www2.state.id.us/women/	334-4673

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